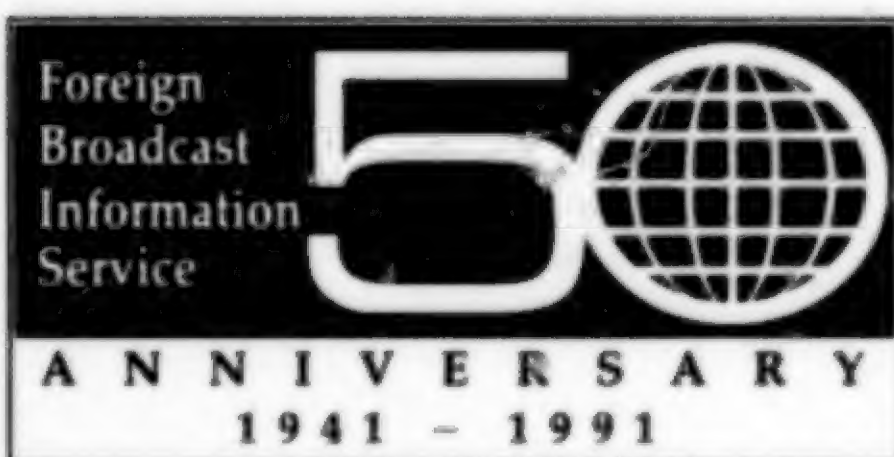




Daily Report

East Asia

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Japan

Prime Minister Kaifu Welcomes START Signing

OW0108032591 Tokyo KYODO in English 0310 GMT
1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—Prime Minister Toshiki Kaifu on Thursday welcomed the signing of an historic U.S.-Soviet treaty on reducing strategic arms, calling it the "fruit" of nine years of negotiations between the two superpowers. Kaifu told reporters he hopes the U.S. and the Soviet Union will have further talks toward deeper cuts to their strategic arsenals.

U.S. President George Bush and Soviet Leader Mikhail Gorbachev signed Wednesday the Strategic Arms Reduction Treaty (START), which will cut for the first time ever the number of long-range nuclear weapons in each country's arsenal. The treaty will slash U.S. and Soviet arsenals of long-range missiles and bombers by about a third, and includes detailed verification and confidence-building measures that give unprecedented access to the other's military facilities.

Self-Defense, UN Peacekeeping Issue Viewed

Tokyo Drafts UN Cooperation Bill

OW3107135491 Tokyo NHK General Television
Network in Japanese 1000 GMT 31 Jul 91

[Text] The government has drafted a bill that would conditionally allow the Self-Defense Forces (SDF) to take part in UN peacekeeping operations. Under the bill, the SDF would be withdrawn from a particular region in the event of an armed conflict or an outbreak of hostilities.

The bill also calls for a ban on the use of armed force by all countries involved. The government believes that the SDF should be allowed to take part in UN peacekeeping activities within the framework of Japan's war-renouncing Constitution.

The government attaches two preconditions to the bill in order to meet constitutional constraints and those set forth by the Cabinet Legislative Bureau. It also aims to satisfy concerns expressed during parliamentary debate.

These preconditions are that the SDF be immediately withdrawn in the event of an outbreak of hostilities, and that the countries involved not be allowed to use military force. The bill also says that any SDF officer joining the peacekeeping mission would be dispatched from the SDF to the UN peacekeeping operations group.

The bill would allow the dispatch of SDF ships and aircraft for transportation purposes. The government plans to submit the bill to the Liberal Democratic Party tomorrow and to show it to the Komeito and the Democratic Socialist Party the day after tomorrow, 2 August. The three parties will debate the issue with the government proposal as a basis for discussion.

Tokyo, LDP Agree on Bill Outline

OW0108052791 Tokyo KYODO in English 0506 GMT
1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—Japanese Government officials and members of the ruling Liberal Democratic Party agreed Thursday on the basic outline of a peacekeeping operations cooperation bill to be submitted to an extraordinary Diet session next week.

The peacekeeping "interim report" compiled by the government was approved by LDP leaders, headed by party secretary general Keizo Obuchi, and both sides agreed to discuss the proposals further Friday with the opposition Social Democratic Party, Komeito, and Democratic Socialist Party.

According to the report, members of the proposed peacekeeping cooperative corps will be allowed to participate in the United Nations' Peacekeeping Forces (PKF) and members of the Self-Defense Forces will be allowed to serve in the cooperation corps.

Further, the report spelled out that Japanese forces will withdraw from the PKF if it becomes likely military force would be used.

Party officials focused their discussion Wednesday on the possible withdrawal of Japanese troops from the PKF, one member saying, "we cannot say only Japan will withdraw if there's trouble when ten or more nations are taking part."

Another LDP official remarked, "We should make clear our participation with a revision of the Constitution," while another expressed "dissatisfaction" with the "method and thinking" behind the proposed bill.

Seiroku Kajiyama, chairman of the LDP Diet Affairs Committee, however, remarked "Among all of Japan's international contributions, there has to be a place for peacekeeping operations."

Among the conditions for participation in the PKF, Japan will cooperate with maintaining the peace where military force is not needed, a ceasefire has been agreed upon, and Japan retains the option to participate or withdraw from the PKF.

Chief Cabinet Secretary Misoji Sakamoto, who headed the government team Thursday, will meet with leaders of the opposition parties Friday to further discuss the draft bill.

Panel Recommends SDF Role

OW3107132191 Tokyo KYODO in English 1240 GMT
31 Jul 91

[Text] Osaka, July 31 KYODO—The Kansai Committee for Economic Development proposed Wednesday that Japan pave the way for the Self-Defense Forces (SDF) to participate in peacekeeping operations overseas.

In a report on Japan's contribution to the international community, the blue-ribbon business group urged the government to revise relevant laws to enable the SDF to play a role in international peacekeeping missions.

The report also said the Maritime Self-Defense Force should be allowed to engage in sweeping mines in areas outside Japan's territorial waters.

Dispatching SDF personnel overseas to perform peaceful missions does not constitute a violation of the Constitution, the report said.

The group urged the government to use information collected by private corporations worldwide to formulate the nation's foreign policy in the wake of the demise of the cold war era.

The report proposed a forum for regular consultations between the government and the business community to discuss Japan's diplomacy and national security.

It urged the government to strengthen security arrangements with the United States and help boost the social status of the SDF.

EC Agrees To Exempt Local Car Output From Curbs

OW0108000991 Tokyo KYODO in English 2301 GMT 31 Jul 91

[Text] Tokyo, Aug. 1 KYODO—Japan and the European Community (EC) announced Wednesday they have agreed to limit Japanese car exports to the 12-nation trading bloc in 1993-1999 to current levels, but to exempt Japanese cars made inside the EC, Ministry of International Trade and Industry (MITI) officials said.

The final accord on the year-and-half-old negotiations were made during telephone talks between Japan's International Trade and Industry Minister Eiichi Nakao and EC Vice President Frans Andriessen, the officials said.

According to statements released by MITI and the EC, Japan will limit its car exports to the EC to 1.23 million vehicles a year during the seven-year period, the same as present levels.

In turn, the EC will lift all restrictions on Japanese car imports, the statements said.

Negotiations on the deal began in early 1990, as the EC fears Japanese inroads in car sales could soar after the 1992 EC market integration.

Nakao praised the EC's commitment to impose no restrictions on Japanese direct investment and the free marketing of its products.

He said the agreement is based on MITI's estimates that the Japanese share in the EC car market will be limited to 16 percent, or 2.43 million cars per annum at the end of 1993, which he said is a combination of just-agreed direct exports of 1.23 million from Japan and Japanese car production of 1.2 million inside the EC.

The European automobile industry, notably in France and Italy, demanded the Japanese share be limited to 15 percent.

Yutaka Kume, chairman of the Japan Automobile Manufacturers' Association, welcomed the EC's agreement to exempt Japanese production at European assembly plants.

Trade Ministry Welcomes Textile Accord Extension

OW3107141191 Tokyo KYODO in English 1347 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—A committee for an international accord on textile trade due to expire Wednesday decided in Geneva to extend the agreement for 17 more months until December 31, 1992, the government said.

According to information received at the Ministry of International Trade and Industry (MITI), the textile committee for Multi-Fiber Arrangement (MFA) held a meeting on the last day of the MFA's validity and decided to extend it for 17 months. The committee expects that thereafter the Uruguay Round of multilateral trade talks will replace the MFA in deciding international trade rules on textiles.

The MFA is an international accord originally established in 1974 aimed at controlling world textile trade.

Under the agreement, countries importing textile products—mostly industrialized nations—are allowed to regulate import quotas through bilateral negotiations with exporting country.

The exporting countries—mostly developing nations—have criticized the MFA as being inconsistent with the General Agreement on Tariffs and Trade (GATT), which is based on free trade principles.

Meanwhile, industrialized countries, seeking to set multilateral trade rules in the areas of services and intellectual property rights, have agreed to integrate the MFA into the GATT Uruguay Round.

The negotiations on the Uruguay Round, however, have taken longer than expected due to disputes over farm issues, while the current MFA was due to expire on July 31.

Receiving the reports of the extension, MITI said it welcomes the decision, saying it would encourage the negotiators in the Uruguay Round.

MITI Urges Better PR in Foreign Procurement

OW3107133491 Tokyo KYODO in English 1236 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—Japanese companies are improving methods of doing business with foreign

companies, but more public relations efforts are necessary to gain understanding, according to the results of a government survey released Wednesday.

The survey, conducted by the Ministry of International Trade and Industry, covered 1,288 companies with annual sales of over 50 billion yen and replies came from 247 companies, 19.2 percent of the total.

The Ministry of International Trade and Industry (MITI) reported that of the 247 companies, 67.6 percent make their own policies on possible procurements from overseas, and 65.5 percent of have a special section for business with overseas partners.

Over 60 percent of the 247 companies also provide workers in those sections with special training sessions.

Only 15.5 percent of the respondents have prepared pamphlets in English to explain their procedures and policies, regarding such areas as purchasing products or ordering services from foreign companies, the survey said.

The ministry conducted the survey at the end of March, in order to discover current corporate practices.

In July last year, MITI sent special letters to companies nationwide, urging improvement of transparency in business with international companies, as agreed in structural impediments initiative talks with the United States.

As for other findings, survey showed 39 percent of the companies who responded said they check internally to see if bidding is fair.

In cases of tenders, 42.3 percent of the companies who responded said they let participating companies know of the result.

The ratio of responding companies who have prepared their own guidelines regarding the antimonopoly law was still relatively low at 31.3 percent, the report said.

Roughly 80 percent of large U.S. companies and 40 percent of European firms are said to prepare similar guidelines, according to MITI officials.

Japanese companies need to make more efforts in this area, they said.

The findings of the survey were sent to the U.S. offices concerned, they added.

Hiroshima, Nagasaki Host Antinuclear Conferences

*OW0108051191 Tokyo KYODO in English 0231 GMT
1 Aug 91*

[“Antinuke Confab Series To Open in Hiroshima (by Miu Oikawa)”—KYODO headline]

[Text] Tokyo, Aug. 1 KYODO—The annual series of antinuclear world peace conferences opens in Hiroshima

on Friday, just after the United States and Soviet Union signed an historic arms reduction treaty in Moscow.

In the series involving antinuclear bodies and citizens groups, the Persian Gulf war will be a major subject of discussion besides traditional themes of disarmament, nuclear power, and recollections of the sufferers of atomic bombs.

On the eve of the 46th anniversary of the atomic bombings of Hiroshima and Nagasaki, the shadow of the Gulf war is likely to linger at the annual world conferences and gatherings slated in the two atom-bombed cities August 2-9.

The crisis in the Gulf vexed Japan on how to contribute to the multinational coalition that fought Iraq without contradicting its pacifist constitution.

Ironically, three of the four Japanese minesweepers dispatched to the Gulf in April, two months after the war ended and Japan's only nonfinancial contribution, left from ports in Hiroshima and Nagasaki prefectures.

The Japan Council Against Atomic and Hydrogen Bombs, or Gensuikyo, backed by the Japanese Communist Party, will talk on themes such as the proposed dispatch of the Self-Defense Forces (SDF) overseas during their three-day annual meetings opening Friday in Hiroshima.

Some 300 people, including 50 foreign participants, are scheduled to attend the meetings while the city's peace gathering on August 6, the day an atomic bomb was dropped in Hiroshima for the first time in history, is likely to draw about 5,000 people, organizers said.

The rival Japan Congress Against Atomic and Hydrogen Bombs, or Gensuikin, supported by the Social Democratic Party (SDP), will also begin a three-day yearly convention from Sunday in Hiroshima.

On August 5, some 200 people will attend the conference, including numerous foreign guests, to discuss peace in the post-Gulf war era.

The group is also planning eight subcommittee meetings, with themes such as environmental and nuclear power.

Both Gensuikyo and Gensuikin will move to Nagasaki on August 7, holding a series of meetings through August 9, the anniversary of the city's bombing 46 years ago.

The nation's largest labor union organization, the Japanese Trade Union Confederation (Rengo), will also hold its first peace gatherings in Hiroshima and Nagasaki, discussing similar themes as the antinuclear groups.

Further Reportage on Securities Revelations

*OW3107150591 Tokyo KYODO in English 1341 GMT
31 Jul 91*

[Text] Tokyo, July 31 KYODO—Japan's 13 second-tier and medium-sized securities companies Wednesday

released the names of clients to whom they paid unfair compensation for investment losses only two days after their larger associates published similar lists.

The 13 brokerage houses together reimbursed stock investment losses for 380 institutional investors and six individuals to the tune of 43.7 billion yen up to March 1990, according to the list released by the Japan Securities Dealers Association on behalf of the brokerages. Some companies are listed by more than one brokerage.

The new list includes some leading companies that were not named by the "big four" brokerages among their favored clients, and include Soka Gakkai, a lay Buddhist religious sect and major supporter of Komeito, the second largest opposition party.

The securities industry hopes the publication of the list by minor brokerages will lay to rest the month-old stock scandal, which led to the resignations of top executives of Nomura Securities Co. and Nikko Securities Co. after heavy media coverage.

But some industry sources said the lists disclose only the tip of the iceberg.

The inclusion of Soka Gakkai in the list will have a large impact on the discussions at the extraordinary Diet session scheduled to start on August 5, where the opposition camp has vowed it will seek a thorough investigation into the scandal.

The amount of losses covered was smaller than the reimbursements by the big four brokerages, which totaled 128.3 billion yen, but the number of client companies was larger.

The top four securities firms—Nomura, Daiwa, Nikko, and Yamaichi—gave the favored treatment to 228 partly overlapping organizations and three individual investors.

The names revealed on Wednesday include some leading companies that also appeared on the big four's list, such as Matsushita Electric Industrial Co. and Hitachi Ltd.

Other top companies also made the new list, including Nippon Steel Corp., Toshiba Corp., Canon Inc., and former Mitsui Bank, which later merged with Taiyo Kobe Bank.

After the big four published the names of their favored clients, the pressure grew on the smaller securities firms to follow suit.

The Finance Ministry called on them to follow the example of the big four as soon as possible immediately after the publication of their list.

New Japan Securities Co., the fifth-largest brokerage house affiliated with the Industrial Bank of Japan, made the largest compensation among the 13 firms, covering losses for 57 corporate investors for 14.199 million yen.

Kokusai Securities Co. followed with a total of 6.974 million yen in reimbursements to 78 elite clients.

Kankaku Securities Co. made good 6.382 million yen in losses for 35 corporate clients and one individual client.

Dai-ichi Securities Co. and Sanyo Securities Co. paid out 4.932 million and 4.749 million yen to 26 and 25 companies, respectively.

The other eight brokerages' loss compensations range from 227 million to 2.364 million yen.

Matsushita was found to have received reimbursements from five out of the 13 companies. Combined with the paybacks it received from Daiwa, Nikko, and Yamaichi, the electronics giant had a total of 4.6 billion yen in losses covered by the brokerages.

The newly released list, like the former one, includes some public pension fund organizations.

They include the Mutual Aid Association of Public School Teachers and the local government personnel mutual aid association.

All of the 13 second-tier and medium-sized brokerages that unveiled the names of their favored clients introduced some punitive measures against their senior officials as being responsible for the unfair practice.

They cut the salaries of their presidents and other executives by 5 to 10 percent for a limited period of time.

Kokusai, which compensated losses for Soka Gakkai, slashed the salaries of the middle manager who oversaw the reimbursements by 10 percent for four months.

A senior director of Toyo Securities Co. resigned at the end of June in taking responsibility for the dealings.

The Finance Ministry is now hoping the publication of the list by the 13 companies will bring the scandal to a close.

Finance Minister Ryutaro Hashimoto told reporters that the move made the picture of the scandal much clearer.

The focus of the scandal might now shift to the measures the government will take to prevent a recurrence of such dealings.

The ministry plans to augment its system for investigating the entire financial business, and will submit a bill to amend the Securities and Exchange Law to the forthcoming extraordinary Diet session.

It hopes these steps will help defuse the growing calls for a new independent watchdog organization for the securities industry similar to the U.S. Securities and Exchange Commission, which would deprive the ministry of much of its authority over the securities business.

Securities Official Comments

OW3107135991 Tokyo KYODO in English 1331 GMT
31 Jul 91

[Text] Tokyo, July 31 KYODO—A senior official of the Japan Securities Dealers Association said Wednesday the fact that second-tier and medium-sized brokerage houses also compensated their clients for investment losses indicates the extent of the practice.

"The widespread extent (of the practice) is becoming clearer," said Kaname Seki, the association's executive director, during a press conference at the Tokyo Stock Exchange.

"We'd better face the task of reforming the industry seriously," he said.

He said the association's decision to release the list of payout recipients of 13 of Japan's second-tier and medium-sized brokers earlier in the day was prompted by a request from the Finance Ministry.

Asked if other brokers compensated their clients, Seki said he could not say.

Prevention of Scandals Urged

OW0108011791 Tokyo KYODO in English 0032 GMT
1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—Scathed by the latest stock scandal engulfing Japan's business and financial markets, business executives Thursday called for early establishment of legal and other systems aimed at preventing future trouble.

Takeshi Nagano, president of the Japan Federation of Employers' Associations, said, "It is a pressing task to establish fair and transparent systems to prevent the recurrence of stock scandals" similar to the one involving securities companies' special treatment of favored clients.

His remarks came on the heels of Wednesday's release by Japan's 13 second-tier and medium-sized securities companies of the names of clients whose trading losses they made good.

The lists showed the 13 brokerages' combined reimbursements came to 43.7 billion yen for 380 institutional investors and six individuals up to March 1990.

The "big four" securities companies have already published the identities of compensation recipients, which include such household names as Toyota Motor Co., Hitachi Ltd., and Matsushita Electric Industrial Co.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren) was reluctant to comment, apparently because an affiliate of his company, Tokyo Electric Power Co., was among those on the list of compensation recipients.

He only said he hopes the securities market will return to normal as early as possible.

With other top officials involved in the scandals, Keidanren will hold an emergency meeting Thursday to decide how to deal with the problem.

Commenting on revelations his company Nissho Iwai Corp. received paybacks, Masaru Hayami, chairman of the Japan Association of Corporate Executives, voiced deep regret over the "annoyance" the scandal caused to the society.

Hayami, now on a tour of the Soviet Union, pointed out in a statement the scandals stem partly from the vague definition of trading losses compensations.

"There is a big gap in recognition between securities companies and alleged compensation recipients over what such compensations are," he said.

Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, also was not fully convinced by the lists, saying there is something obscure about their content.

Some compensation recipients have denied any misdeeds, saying they had no knowledge or awareness of such payouts.

Further Revelations Reported

OW0108042091 Tokyo KYODO in English 0342 GMT
1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—Okasan Securities Co. confirmed Thursday one of its clients paid compensation for investment losses is a company formerly headed by a son of conservative powerbroker Shin Kanemaru.

According to Okasan, a medium-size brokerage, it reimbursed 21 million yen to building rental company Oruto, at the time led by Shingo Kanemaru, a son of the former deputy prime minister.

The amount of paybacks received by Oruto was the ninth largest among 20 companies paid a total of 476 million yen by the brokerage house for stock market losses.

Oruto opened an account with Okasan between July 1987 and summer 1990, when Shingo Kanemaru was managing director, according to Okasan.

An Okasan official said it had a deal with Oruto, but denied any connections with politicians.

Shin Kanemaru, asked for comment, said it was a major surprise for him and that he will study the matter.

Kanemaru, leader of the biggest faction within the ruling Liberal Democratic Party and known as a major power broker, renewed calls for a thorough investigation of the brokerage scandal.

Opposition parliamentarians may question Kanemaru's links with his son's former company at Friday's session

of the House of Councillors' Finance Committee and also at an extraordinary Diet session starting August 5, political sources said.

On Wednesday, Japan's 13 smaller securities companies released the names of clients to whom they paid compensation for investment losses.

The 13 brokerage houses together reimbursed 380 institutional investors and six individuals with 43.7 billion yen between 1987 and 1990 to cover their stock and bond investment losses.

Major compensation recipients include nonprofit organizations such as Soka Gakkai, a lay Buddhist organization and the main base of support for Komeito, the second-largest opposition party.

The nation's leading corporations such as Matsushita Electric Industrial Co. and Hitachi Ltd. were on the list.

The top four brokerages—Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co.—paid 128.3 billion yen to a total of 228 organizations and three individuals. Some clients were paid by more than one brokerage.

NHK Board of Governors Appoints New President

OW3107123191 Tokyo KYODO in English 1206 GMT 31 Jul 91

[Text] Tokyo, July 31 KYODO—Mikio Kawaguchi, board chairman of the NHK Symphony Orchestra, was named Wednesday as new president of the semiofficial Japan Broadcasting Corp. (NHK).

The NHK Board of Governors picked Kawaguchi, 64, in place of Keiji Shima, who resigned earlier this month after giving false Diet testimony regarding his whereabouts at the time of the explosion of an NHK satellite in April.

Kawaguchi, former NHK general managing director, is the fourth former NHK employee to take control of the broadcasting firm.

The new president, a native of Kagoshima Prefecture, joined NHK after graduating from Tokyo University in 1950 and worked for a long time on musical and cultural programs, including the annual New Year's Eve special "Red and White Song Festival."

Kawaguchi, who also served as executive director general in charge of broadcasting, retired in 1986.

Last week, former Supreme Court Justice Masami Ito declined the appointment as NHK's new chairman for health reasons.

Mitsuzuka Comments on LDP Presidential Election

OW0108061591 Tokyo NHK General Television Network in Japanese 1200 GMT 30 Jul 91

[Interview with Hiroshi Mitsuzuka, chairman of the Mitsuzuka faction, Seiwa-kai, of the Liberal Democratic Party by NHK anchorman Tadashi Sonoda; second in series of interviews with LDP factional leaders on strategies for upcoming LDP presidential election; from "NHK News 21" program; place and date not given—recorded]

[Text] [Sonoda] When I talked to Chairman Kanemaru of the Takeshita faction yesterday, he said that the possibility of Prime Minister Kaifu's staying on in office remains. Mr. Mitsuzuka, what do you think about this?

[Mitsuzuka] The LDP presidential election is held once every 2 years. Although Messrs Miyazawa and Watanabe have not announced their candidacies, they are almost decided. I think Seiwa-kai, being the second largest faction, from the point of view of taking up political responsibility, will certainly come up with a candidate. I expect that we will have a situation in which the first, second, third, and fourth largest factions will all put up their candidates. In such a case, if Mr. Kaifu joins the race, it will be a very tough fight for him, in terms of the numerical strength of supporting Diet members. I am not sure if he will run. In that sense, this matter all depends on Mr. Kaifu's own determination.

[Sonoda] I think Mr. Kanemaru cited a high rating in popular support as a main reason.

[Mitsuzuka] Well, we are dealing with parliamentary politics. I do understand what he wanted to say; however, Diet members, to whom the people delegated their power, are the ones who are going to elect the prime minister. The candidate who wins majority support among [LDP] Diet members becomes the president, and is, in turn, elected as prime minister in the plenary sessions of the House of Representatives and House of Councilors. That is the point. Ideally, popular support ratings should be equal to, and not different from, the support rating among Diet members; however, looking at the domestic and international situation, I would think a change of leader is going to happen. This will become the most important point.

[Sonoda] Does the Mitsuzuka faction intend to put up its own candidate? More specifically, as a matter of course, will you, the chairman of the faction, run as a candidate?

[Mitsuzuka] My personal view is that it is absolutely impossible for the Seiwa-kai, which possesses considerable political power as the second largest faction, not to put up a candidate. I think not putting up a candidate means abandoning its political responsibility. The act of putting up a candidate demonstrates how we analyze domestic and international situations. I would like to state explicitly that we will certainly run in the presidential race; however, in that case, as you have just said, will

the faction chairman run? Well, I became the chairman only a month ago. In that sense, I am quite new when compared with other faction leaders. I will have to study very hard and listen to the voices of the people through party members. That is why I am presently on a speaking tour of local areas. In the Seiwa-kai seminar toward the end of September...this seminar is an important study session through which the faction manifests its basic position on international and national politics. Since this is an LDP presidential election year, the faction will announce its candidate for the presidency.

[Sonoda] I think the Mitsuzuka faction, being the second largest faction, holds the deciding vote in the presidential election. In view of your longstanding close relationship with the Takeshita faction, termed the Anchiku alliance, what sort of cooperative relations do you intend to have with the Takeshita faction in the presidential election?

[Mitsuzuka] After the chairmanship passed from Mr. Shintaro Abe to Hiroshi Mitsuzuka, conditions became different from what they were during the time of Mr. Abe, just as Mr. Abe and I have different personalities. In that sense, our relationship with the Keisei-kai [Takeshita faction] has become one of competitive coexistence. We will strive hard in our role as the LDP's backbone, while working in a friendly rivalry.

[Sonoda] I foresee an invitation from the Miyazawa and Watanabe factions to align with you in the future. How would you respond to that?

[Mitsuzuka] I will be open to what they have to say at all times. I will also spell out our position explicitly. We will not turn them down. Eventually, we hope to come up with a good president and create a better political system through presidential elections to meet the people's expectations.

[Sonoda] It has been one month since you became faction chairman. Can we consider hard feelings inside the faction, particularly that of Policy Research Council Chairman Kato, to have been eliminated?

[Mitsuzuka] Various things have happened, such as the so-called Saburoku war [rivalry between Mitsuzuka and Kato; "sabu" taken from the first character of Mitsuzuka's surname, and "roku" from the first character of Kato's given name]. There are no hard feelings. We had many days of policy debate, just as happened during the time of national railway reform. Afterwards, Kato, who is a bright, cheerful chap, did not harbor any grudges. Although people say a lot of things, I intend to settle the issue so everyone can see that it is settled.

[Sonoda] Concerning the stock scandal, as you know, the list of people who received compensation for their losses was made public yesterday. Deliberations will also be conducted in the extraordinary Diet session beginning next week. How would the Mitsuzuka faction approach this issue?

[Mitsuzuka] The formation of a special committee is more or less in line with people's opinions. I have stated that this step should be taken without hesitation. As to the question of summoning witnesses, if this is indispensable for a thorough investigation of the matter, I think the witnesses should be asked to come and tell the truth. Without this, the whole truth will not be known and comprehensive measures to prevent a recurrence will not be possible.

[Sonoda] Thank you.

[Mitsuzuka] Thank you.

Miyazawa Comments on Strategy for Elections

*OW0108082191 Tokyo NHK General Television
Network in Japanese 1245 GMT 31 Jul 91*

[Interview with Kiichi Miyazawa, chairman of the Liberal Democratic Party's Miyazawa faction, Kochi-kai, by anchorman Tadashi Sonoda; third in series of interviews with LDP factional leaders on strategies for the upcoming party presidential election; from "NHK News 21" program; date and place not given—recorded]

[Text] [Sonoda] Mr. Miyazawa, it is often said that the next presidential election of the Liberal Democratic Party [LDP] will be your last chance. Could you tell me about your basic strategy for the presidential candidacy?

[Miyazawa] Well, I think that it is too early to talk about it. As a matter of fact, I have not determined what to do because I still have plenty of time before the election.

Regarding my present basic political position, I want to note the fact that there have been hot debates on Japan's international role in the 12 months since the Gulf crisis. I also note my concern over the recent securities scandal, as showing the negative side of Japanese prosperity in this liberal and peaceful country. Such scandals may arouse a sense of unfairness among the public, while Japan's present strength is greatly due to an equality-oriented social structure which has no hierarchy. I understand that the presidential election is upcoming under such political circumstances, but I am still not ready to answer your question on my tangible measures to cope with the situation.

[Sonoda] What makes you say that it is too early?

[Miyazawa] Since the post of LDP president is the one that also serves as the prime minister, we should not neglect public opinion on the election process. I mean that I do not feel that is an immediate issue because there is no public pressure as such, yet.

[Sonoda] When do you think that it will be an immediate issue?

[Miyazawa] That will be in the distant future.

[Sonoda] Mr. Shin Kanemaru stated in an interview with me, that Prime Minister Kaifu may be reelected. However, Mr. Hiroshi Mituzuka has expressed a quite negative attitude toward Mr. Kaifu's reelection. What is your opinion on the issue?

[Miyazawa] I expect that the prime minister is not ready to discuss the issue either. In principle, however, the LDP president is elected by all party members. This means that everybody can run in the presidential election as long as he is recommended by a certain number of party members. I do not know the prime minister's true intention, but he can choose the way to his reelection as a powerful politician currently in office.

[Sonoda] In connection with this, what do you think about a favorable procedure for the presidential election? Do you think that the new president should be elected through consultations, or by vote?

[Miyazawa] In my long-held opinion, it is better for a conservative party not to have disputes on determining its leader, since members should work in a body for a long time and there is no ideological discord among them. On the other hand, there are voices against such closed election procedures, especially on the last couple of elections. I think that the public may prefer open election procedures this time.

[Sonoda] Your faction has already prepared for the election, has it not?

[Miyazawa] Ah, no. I am a laggard. Many people are worrying about me still indulging in such idle thoughts, and I have been giving them trouble in drawing up my campaign pledges over the last two months.

[Sonoda] Political reform has become the focal point of the political scene. How do you feel about your involvement in the Recruit scandal?

[Miyazawa] I often examine myself so as not to repeat such a mistake. I should remember that for the rest of my life. As a politician, I have survived the last general elections with support from the public. Moreover, political reform bills have been completed by the government. I think that we should attach a moral to our political activities with the bills.

[Sonoda] Debates on political reform bills will be the highlight of the Extraordinary Diet session which will start next week. How will your faction deal with the issue?

[Miyazawa] The biggest problem is the fact that political activities cost a lot of money. Even younger Diet members should pay more than 10 million yen. The situation should not last long. As one of the sponsors, I feel that as a matter of fact, my successor will not be able to handle such money-consuming politics. We cannot have good politics unless we change the situation. I think that we should try our best to complete political reform on this occasion.

[Sonoda] Thank you for joining us tonight.

Mitsubishi Announces More Fuel-Efficient Engine

OW2907114491 Tokyo KYODO in English 1113 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—Mitsubishi Motors Corp. (MMC) said Monday it has developed an engine for small compact cars which will boost fuel economy by 20 percent compared with conventional engines.

Officials said the engine will be used in a new lightweight vehicle which the company intends to market in the fall.

MMC researchers developed the improved engine based on a conventional 1,500 cc motor. Using a special technology, they increased the air to gasoline content ratio to 25:1 from 14.7:1 used in conventional engines.

The mixture burned slower in the combustion chamber, producing a better overall fuel performance.

Based on trials, the engine installed in a small compact car is estimated to get about 20 kilometers per liter of gas in city driving, officials said.

Honda Fuel-Efficient Engine Noted

OW3007143091 Tokyo KYODO in English 0737 GMT 30 Jul 91

[Text] Tokyo, July 30 KYODO—Honda Motor Co. said Tuesday it has developed an engine for compact cars which boosts fuel economy by 20 percent compared with conventional engines.

Honda is the second Japanese automaker to develop a highly efficient engine, following Mitsubishi Motors Corp., which announced the successful development of a similar engine Monday.

Officials said the 1,500 cc, 94-horsepower vtec-e engine will be used in new 1,500 cc Honda Civic models with manual transmissions, which are being introduced this fall for marketing in Japan, the United States, and Europe.

A car equipped with the engine gets about 20.5 kilometers per liter of gas in city driving, compared with 17.2 kilometers for a similar car with a conventional engine, officials said.

At speeds averaging 60 kph, a car with the new engine gets 36.8 kilometers per liter of gas, compared with 27.0 kilometers for a conventional car, the officials said.

Honda said it developed the new engine, an improved version of a high-powered four-valve, four-cylinder engine, by increasing the air to gasoline content ratio to 20:1 from the 14.7:1 ratio in conventional engines.

North Korea

Consolatory Team Proposes Contact With South

SK0108053691 Pyongyang KCNA in English
0521 GMT 1 Aug 91

[Text] Pyongyang August 1 (KCNA)—Chong Chun-ki, chairman of the measure committee for the rescue of Rev. Mun Ik-hwan, and Yo Yon-ku, chairman of the Korean committee of the struggle for the release of Yim Su-kyong, sent a telephone message today to Choe Ho-chung, "minister of Unification Board", and Kim Ki-chun, "minister of justice" of South Korea.

Saying that the consolatory team of school youth and children which failed to go to South Korea owing to the obstructions of the South Korean authorities and a consolatory team of all strata of people hope to go to the South on August 10 to console the patriotic visitors to the North and their families, they proposed in the message to have a contact between working-level officials of the two sides at the conference room of the Neutral Nations Supervisory Commission in Panmunjom at ten A.M. August 7 in this regard.

According to the message, member of the consolatory team of all strata of people Kim Yong-nam (vice-chairman of the C.C. [Central Committee], the General Federation of Trade Unions of Korea) and Kye Pong-il (a student of Kim Il-song University) will go out for the contact.

At the contact the sides may discuss the time of the passage of the consolatory teams through Panmunjom, guarantee of the personal safety of their members, traffic, lodging and boarding and other necessary conveniences, the message said, adding: We hope for an affirmative response from the South side.

Delegates Nominated to Pannational Rally

SK0108053091 Pyongyang KCNA in English
0454 GMT 1 Aug 91

[Text] Pyongyang August 1 (KCNA)—Nomination of delegates of the North side to the '91 pan-national rally is going on at the political parties, social organisations, educational, cultural and art organs, industrial establishments and cooperative farms in the DPRK.

The successful holding of the '91 pan-national rally is of weighty significance in the reunification movement of the Korean nation.

Officials of political parties and social organisations, workers, co-op farmers, university teachers and men of culture and art and personages of other strata who have devoted themselves to the work for the independent and peaceful reunification of the country have been selected as delegates in all parts of the country.

Nomination continues.

South Intends 'To Block' Reunification Movement

SK0108120791 Pyongyang KCNA in English
1006 GMT 1 Aug 91

[Text] Pyongyang August 1 (KCNA)—Kim Hui-son, vice-chairperson of the executive board of the preparatory committee for the promotion of the South side's headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon), shed a revealing light on the anti-reunification nature of the "grand unification march" proposed by the South Korean authorities and rejected it, according to a South Korean HANGYORE SINMUN report.

The real intention of the authorities in bringing forward this proposal is to block the independent reunification movement of civilian level and thereby have things their way in the debate on reunification and use it to freeze division and attain "security of power," she said, adding:

The "grand unification march" is seemingly supposed to be sponsored by a civilian organization but, in actuality, it is intended to secure "government" control through "government"-subsidized organizations which take the lead in whipping up the consciousness of confrontation against the North.

Precisely for this reason, the function is most likely to be abused in creating mutual distrust and antagonism rather than contributing to reconciliation between the North and the South, according to the intention of the authorities.

The function also shows no sign of sincere efforts for a solution to political and military problems, a most urgent requirement for national reunification.

In many rounds of North-South dialogues past, the South Korean authorities have never shown a sincere attitude in discussing matters of removing the political and military confrontation and seeking a reasonable way of reunification, but always avoided them with a deceptive argument.

If the authorities proposed the "grand unification march" truly for reconciliation between the North and the South and national reunification, they must stop suppressing Pomminnyon, allow the holding of the pan-national rally and scrap the anti-national, anachronistic "national security law".

She stressed that the reunification movement would be waged by the pan-national rally to convert the Korean peninsula into a nuclear-free zone, replace the truce system by a peace system and find a reasonable and realistic formula of reunification.

South's 'Criminal Jargon' on Reunification Noted

SK3107104491 Pyongyang KCNA in English
0959 GMT 31 Jul 91

[Text] Pyongyang July 31 (KCNA)—The South Korean authorities' "theory of unification through absorption"

presupposes confrontation between the North and the South and it is a criminal jargon against the grand reunification march of the fellow countrymen along the road of national reconciliation and unity with a timetable set for reunification in the 90s says, NODONG SINMUN today.

Their infeasible ambition and plot for "unification by prevailing over communism and through absorption" are nothing but a desperate bid to keep the present division, not reunification, the paper points out.

The theory of "unification through absorption" is designed to blow the wind of liberalisation into the North, destroy our socialist system and expand the anti-popular colonial military fascist dictatorial system in South Korea to the northern half of the country.

The paper in a signed article headlined "sophism of traitors for permanent division of the nation" notes:

The authorities' foul attempt to achieve unification by means of destroying the other's system is a reckless move proceeding from their fantastic ambition to obtain something in the same way as was applied in a foreign country, apart from the specific realities of our country.

As for the socialist system in the northern half of Korea, it is a most superior, man-centred and peculiar social system of our own style.

The world people are admiring the superiority, solidness and invincibility of our socialism and the South Korean people are sympathizing with it.

It is anachronistic for the South Korean authorities to try to swallow up our socialist system which is absolutely supported and trusted by the popular masses.

The rush of the South Korean authorities along the road of "unification through absorption", going against the powerful current of the fellow countrymen toward reconciliation, unity and reunification will only result in fostering antagonism and confrontation within the nation and deepening division.

Originally, Korea's reunification question is not a matter of one side conquering the other or being conquered by the other, not a matter of one side overwhelming and prevailing over the other, but a matter for the North and the South to achieve national unity as the fellow countrymen of the same blood.

Under the present situation of our country, reunification through confederacy is the most correct way of solving the national reunification question independently in a peaceful way in conformity with the demand and will common to the nation and in reliance upon the united strength of the entire nation.

The No Tae-u ruling group must look squarely at the reality, give up its ambition for "unification by prevailing over communism" which challenges the desire and aspirations of the whole nation for reunification and

immediately accede to the fair and aboveboard proposal for reunification through confederacy.

U.S.-South Wartime Host Nation Accord Viewed

*SK3107135391 Pyongyang Korean Central
Broadcasting Network in Korean 0026 GMT 27 Jul 91*

[NODONG SINMUN 27 July commentary: "A Very Grave Criminal Agreement"]

[Text] According to a report, the U.S. imperialists and the South Korean puppets have decided to initial a new criminal war agreement, the so-called agreement on Wartime Host Nation Support [WHNS].

According to the agreement, the United States can use roads, as they like, for military purposes in South Korea in time of war as well as peace. In addition, the United States can use the South Korean ports for its incoming and outgoing warships at any time. The United States can use public buildings at any time, and it can even use the water supply for its soldiers' purposes.

According to this agreement, the U.S. imperialists make the South Korean puppets always and thoroughly prepare all the things in advance to meet demand of their troops for material storage, equipment management, and personnel mobilization. In addition, the U.S. imperialists make the South Korean puppets assume the expenditures needed for the various military exercises conducted in normal times.

As is known, the U.S. imperialists have the right to command South Korean personnel and material resources as their own according to the agreement, which is different from the agreement reached between them and member countries of NATO. And, they have unilaterally imposed a burden upon the puppets to meet their requirements.

The agreement seeks the more thorough domination and control of South Korea by the U.S. imperialists and to bind it as their instrument in implementing war and strategy and of completely mobilizing all things in South Korea in time of emergency while, in particular, provoking a new war in Korea.

In fact, the conclusion of this agreement is one that can only have taken place on the eve of provoking a war. This shows that the U.S. imperialists' maneuver is now in a very grave stage in order to wage a new war for the northward invasion on the Korean peninsula.

This is an out-and-out agreement for war reached between the master and the servant, and between aggressors and culprits. In addition, this is a nation-selling agreement.

The South Korean publications have branded this agreement as a second Ulsa Treaty. The mutual defense treaty is to guarantee the U.S. forces' rights to let them to use indefinitely the land, the sky, and the waters. In addition, the WHNS agreement is one that sells the South

Korean people to them. It is not accidental that the subordinate relations between the United States and South Korea are systematically consolidated.

When the U.S. imperialists conclude the agreement of war with the South Korean puppets it exposes their aggressive nature in detail once again. The U.S. imperialists, who are very arrogant due to the Gulf war, saying that they are the only superpower in the world, have presented a new plan for conquering the world—a so-called plan for building a new world order. With more cunning and brutal methods, the U.S. imperialists seek the line of invasion and war.

Saying that the regional crisis is the main factor challenging the interest of the United States at present, the U.S. imperialists have worked out a so-called new military and strategic plan in order to rapidly and effectively deal with the crisis. And they are going to collectively apply it to the Korean peninsula.

In connection with this, the U.S. rulers, saying that the Korean peninsula is the most dangerous region where a conflict may be waged at present, have particularly stressed the regional crisis.

Recently, the U.S. imperialists, babbling that we are developing nuclear weapons, have further aggravated the tension on the Korean peninsula. This is their maneuver to justify waging a new war for northward invasion.

At the annual security consultative meeting held in Washington in November last year, the U.S. imperialists and the South Korean puppets, babbling about their joint measures to deal with our non-existent nuclear facilities, mapped out an operational and training plan to remove them. This is an open secret.

No one dares say that the U.S. imperialists, who desire northward invasion, will not lead an expedition into the northern half of the Republic ushering in the South Korean puppets and satellite countries under the placard of peace and security, while unreasonably using the development of nuclear weapons as an excuse.

The so-called WHNS agreement prepares for this situation. The conclusion of this agreement will aggravate tensions and increase the danger of war on the Korean peninsula. A grave situation has been created on the Korean peninsula by the U.S. imperialists and the South Korean puppets.

If the U.S. imperialists and the South Korean puppets truly want peace and peaceful reunification in Korea, they should cancel this agreement of war immediately. And they should take the road of signing the peace treaty between the DPRK and the United States as demanded by us and of adopting the non-aggression declaration between the North and the South. The U.S. imperialists and the South Korean puppets should correctly see the reality and should not behave rashly and blindly.

220 Cases of 'Aerial Espionage' in Jul Alleged

*SK0108054591 Pyongyang KCNA in English
0433 GMT 1 Aug 91*

[Text] Pyongyang August 1 (KCNA)—The U.S. imperialist aggressors sent U-2 high-altitude strategic reconnaissance planes in succession on July 30 and 31 to make a shuttle flight from the east to the west above the area of the Military Demarcation Line (MDL) for an intensive aerial espionage on targets in the strategical depths and inland areas of the northern half of Korea, according to military sources.

Aerial espionage numbered 36 cases in July alone.

In another development, the U.S. imperialists sent an E-3 AWACS [Airborne Warning and Control System] plane from Japan proper to the sky above South Korea on July 30, which committed an electronic reconnaissance against targets in the in-depth and frontline areas of the North side, repeatedly flying above the MDL area.

Their aerial espionages by E-3 AWACS totalled 10 cases in July.

In July, they let EH-60 electronic reconnaissance planes and various types of Army reconnaissance planes and patrol planes fly above the MDL area several times every day, openly committing provocative acts of photographic reconnaissance against targets in the frontline areas of the North side for long hours.

Their aerial espionage against the northern half of Korea by reconnaissance planes of different types in July totals more than 220.

Commentary Views Bush Nuclear Arms Statement

*SK0108030991 Pyongyang Korean Central
Broadcasting Network in Korean 0015 GMT 1 Aug 91*

[NODONG SINMUN 1 August commentary: "Overturned Logic"]

[Text] The U.S. rulers made every sort of absurd remark in an attempt to justify the production and deployment of their nuclear weapons.

In a recent speech, U.S. President Bush said that because the U.S. nuclear weapons are not premised on their actual use, they do not pose a threat to anyone.

Other U.S. authorities, including Defense Secretary Cheney, made similar remarks. However, their remarks are a barefaced lie.

As is known to the entire world, the production and deployment of nuclear weapons by the United States indicates their use as a premise. The production of U.S. nuclear weapons is a direct product of its global strategy—nuclear strategy—based on its strength.

It is an ambition of the U.S. imperialists to dominate the world by wielding nuclear weapons. U.S. nuclear

weapons pose a great threat to regional and global peace as a vicious means of aggressive war. This is clearly proven by the existence of U.S. nuclear weapons in South Korea. The United States has deployed approximately 1,000 nuclear weapons there. As the result, South Korea has been reduced to a firstline base and the most frontline base of the U.S. nuclear strategy. The deployment of U.S. nuclear weapons in South Korea is not aimed at merely boasting of its technological development. One may note this from undisguised violent remarks on the use of nuclear weapons on the Korean peninsula. Heads of the U.S. Administration and military openly stated that if a war breaks out in Korea, they will not hesitate to use nuclear weapons.

Such violent remarks by the U.S. imperialists are not merely a threat and menace but are being put into action through nuclear war exercises. The 'Team Spirit' joint military exercise staged in South Korea every year is a comprehensive war exercise aimed at making a pre-emptive attack on the northern half of the Republic with nuclear weapons.

If the U.S. ruling circle has no intention of using nuclear weapons, it would not stage such an adventurous nuclear war exercise in South Korea.

The U.S. ruling circle once raved that the nuclear weapons deployed in South Korea were designed to check the Soviet Union's southward advance [namha]. If this is true, under the condition in which the United States itself has declared an end to the East-West cold war and in which the Soviet Union and the United States have stated that they do not regard each other as the enemy, the United States has no need to continuously keep its nuclear weapons in South Korea.

Nevertheless, the United States is not only maintaining enormous nuclear weapons in this region but also turned over the right to push the button of nuclear weapons deployed in South Korea to the commander of the U.S. Pacific Command and to field commanders at each level so that they can use nuclear weapons at any time.

The U.S. imperialists' maneuvers to use the nuclear weapons in South Korea as a means for northward aggression have become more undisguised after the Persian Gulf war. The U.S. imperialists pointed out that the Korean peninsula is the place with the greatest possibility for becoming an area of full-scale conflict after the Persian Gulf. They have even drawn up a 120-day war scenario which is premised on the use of nuclear weapons in this area.

In spreading falsehoods about nonexistent nuclear plans and threats in the North, the U.S. imperialists are waging an anti-Republic campaign. This is designed to justify the existence of their nuclear weapons in South Korea and to find an excuse for provoking a nuclear war on the Korean peninsula.

U.S. nuclear weapons in South Korea and the U.S. nuclear war maneuvers pose a grave threat to peace and

security on the Korean peninsula and in Asia. The United States should withdraw the nuclear weapons it deployed in South Korea and other areas and abolish its nuclear bases.

Foreign 'Circles' on Withdrawal of U.S. Troops

*SK3107152191 Pyongyang KCNA in English
1458 GMT 31 Jul 91*

[Text] Pyongyang July 31 (KCNA)—Political and public circles of foreign countries expressed full support to the struggle of the Korean people for national reunification and demanded the withdrawal of the U.S. troops and nuclear weapons from South Korea.

Chris Lawrence, secretary general of the Independent Trade Union Action Council of Jamaica, in a letter to the U.N. secretary general on July 20 said:

The Democratic People's Republic of Korea demands disarmament on the Korean peninsula, the removal of nuclear weapons and the complete withdrawal of all the foreign troops and military bases from there for the independent reunification of the country and peace. The letter appealed to the U.N. secretary general to strive to remove nuclear weapons and mass destruction weapons from all countries and regions of the world and build a free and peaceful world.

Marshall Jacques, member of parliament of Belgium, in a statement on July 18 said that in order to remove military confrontation and create an atmosphere of peace and detente between the North and the South of Korea all nuclear weapons should be pulled out of South Korea and the Korean peninsula denuclearized.

The Arab League in a memorandum to the Korean Embassy in Egypt on July 22 said that the League opposes the spread and threat of all mass destruction weapons including nuclear weapons and demands their dismantlement in all acute areas and regions including the Middle East.

Bengt Tubikanen, chief of the Stockholm group for the study of the chuche idea of Comrade Kim Il-song in Sweden, demanded the U.N. to organize an international committee to inspect nuclear weapons in the South of the Korean peninsula and force the United States to withdraw their nuclear weapons.

Embassy in PRC Commemorates War Anniversary

*SK0108015791 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 27 Jul 91*

[Text] On the occasion of the 38th anniversary of the great Fatherland Liberation War, a news conference was held on 26 July at our embassy in China. The news conference was attended by Chinese newspaper, news agency, and broadcasting station reporters.

At the conference, (Pae Yong-chae), charge d'affaires ad interim of our country to China, spoke.

He referred to the fact that in the Fatherland Liberation War, our people heroically fought under the wise leadership of the great leader Comrade Kim Il-song and defended the gains of the revolution by defeating the U.S. imperialists. Thus, he said, our people not only opened the way for the U.S. imperialists to embark on their downhill road, but also opened the new era of national liberation struggle and anti-imperialist and anti-U.S. struggle.

He said that our people's victory in the Fatherland Liberation War proved the truth that the people who are blessed with the wise leadership of the great leader and who rise up as one and fight, firmly rallying around the revolutionary party and their armed forces, are ever-victorious and invincible.

He then revealed and condemned the enemies' two Koreas plot, saying: Almost 40 years have passed since the sound of war's gunfire ceased on the Korean peninsula. However, confrontation still continues to exist. This is totally because of the new war provocation maneuvers of the U.S. imperialists and the South Korean puppets and their maneuvers for division.

Stressing that to alleviate tension in our country and to provide peaceful circumstances for national reunification there, it is imperative to adopt a declaration of nonaggression between the North and the South, to conclude a peace agreement between us and the United States, and to withdraw U.S. forces and nuclear weapons from South Korea. He urged the South Korean authorities to show an affirmative response to our new arms reduction proposal at the earliest possible date and the United States not to pursue any longer its policy of splitting our country permanently.

In conclusion, he said that our people will smash the maneuvers for a permanent split by the U.S. imperialists and the South Korean puppets and will achieve the cause of national reunification without fail amid the support and encouragement of the people of the world.

O Chin-u Greets PRC National Defense Minister

*SK3107115591 Pyongyang KCNA in English
1035 GMT 31 Jul 91*

[Text] Pyongyang July 31 (KCNA)—Vice-Marshall of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to colonel General Qin Jiwei, minister of national defence of the People's Republic of China, on the occasion of the 65th founding anniversary of the Chinese People's Liberation Army [CPLA].

The message says:

The Chinese People's Liberation Army has performed its noble mission for the country and the people with honor through the 64-year long devoted struggle since the day of the proclamation of its birth.

Today the CPLA under the leadership of the Communist Party of China is playing an important role in the struggle to build socialism with Chinese characteristics as the firm revolutionary forces which guarantee the victory of the socialist cause in China.

Expressing the belief that the traditional relations of friendship and cooperation between the peoples and Armies of Korea and China will grow stronger and develop, I take this opportunity to sincerely wish you and the CPLA greater success in their future endeavours to build the Army revolutionary, modern and regular.

PRC Attache Gives Party for PLA Anniversary

*SK0108055391 Pyongyang KCNA in English
0431 GMT 1 Aug 91*

[Text] Pyongyang August 1 (KCNA)—Yin Guangtao, military attache of the Chinese Embassy here, gave a cocktail party at the embassy Wednesday evening on the occasion of the 64th anniversary of the founding of the Chinese People's Liberation Army [PLA].

Present there on invitation were Gen. Kim Kwang-chin, Col. Gen. Cho Myong-nok, Col. Gen. Chon Chae-son and other generals and officers of the Korean People's Army and military attaches of foreign embassies here.

Charge d'Affaires ad Interim Chiang Zhengcai and officials of the Chinese Embassy were on hand.

Speeches were made at the cocktail party which proceeded in a friendly atmosphere.

Kim Il-song Meets 'Internationalist Soldier'

*SK3107115091 Pyongyang KCNA in English
1038 GMT 31 Jul 91*

[Text] Pyongyang July 31 (KCNA)—The great leader President Kim Il-song today received internationalist soldier Ya. T. Novichenko and his entourage on a visit to Korea.

Present on the occasion were Kang Sok-sung, director of the party history institute of the C.C. [Central Committee], Workers' Party of Korea [WPK], Kwon Min-chun, vice-director of a department of the WPK Central Committee, and Aleksandr Kapto, Soviet ambassador to Korea.

President Kim Il-song conversed with the guests in a cordial and friendly atmosphere.

The guests presented him with a gift.

He arranged a luncheon for them.

Embassy in Moscow on Denuclearization Proposal

SK0108045191 Pyongyang Korean Central

Broadcasting Network in Korean 1300 GMT 31 Jul 91

[Text] A news conference was held at our embassy in the Soviet Union on 30 July in connection with the statement of the DPRK Ministry of Foreign Affairs pertaining to a new proposal for denuclearization of the Korean peninsula. Respectfully placed on the forefront of the news conference site was a portrait of the great leader Comrade Kim Il-song.

The news conference was attended by Soviet reporters and pertinent functionaries from the Soviet Ministries of Foreign Affairs and Defense.

Yi Tu-yol, charge d'affaires ad interim of our country to the Soviet Union, spoke.

In referring to the motive of the Foreign Ministry's statement pertaining to the DPRK Government's new proposal for denuclearization that was released on 30 July in Pyongyang he said: The trend of detente has appeared in many regions of the world today. However, only on the Korean peninsula has it not appeared. Today's situation on the Korean peninsula has been further aggravated, instead of being alleviated. This is totally because of U.S. nuclear weapons deployed in South Korea and the U.S. nuclear threat against our country. The international reaction to the joint statement issued recently by DPRK political parties and public organizations vividly shows the concerns of the peace-loving people of the world about the growing nuclear threat on the Korean peninsula and their aspirations for denuclearization in this region.

In saying that today's changing international situation has defined the establishment of a nuclear-free zone on the Korean peninsula as a requirement which should not be delayed, he continued:

That major nuclear-weapon-possessing countries—which have made the Korean peninsula the operational area for their nuclear confrontation—are advancing, shifting from confrontation to cooperation, has created a new objective possibility for the Korean peninsula to be made into a nuclear-free zone. The Soviet Union and the United States, which are major nuclear powers of the world, have already abolished short-range and shorter-range missiles, and, according to a report, the Strategic Arms Reduction Treaty will be signed in the Soviet-U.S. summit talks which are now being held in Moscow. This fact shows that there is no ground whatsoever for them to oppose the establishment of a nuclear-free zone on the Korean peninsula. In a statement, the Soviet Union has already declared that it will become a country which guarantees denuclearization of the Korean peninsula. The United States has recently assumed the position of not opposing the establishment of a nuclear-free zone on the Korean peninsula on condition that the countries concerned reach an agreement. The United States has

also expressed support for the proposals on establishing nuclear-free zones in the Middle East, South Asia, and Africa.

The demands of all of the Korean people in the North and the South for denuclearization are surging unprecedentedly, and the South Korean authorities, as well, have expressed interest in the matter of denuclearizing the Korean peninsula to some extent [onuchongdo]. Such being the situation, we believe that if the United States and the South Korean authorities unselfishly accept our peace proposals and join our sincere efforts and the trend of the times to make the Korean peninsula a nuclear-free zone, it will be possible to eliminate the source of the danger of a nuclear war on the Korean peninsula.

In saying that the DPRK Government has offered a new proposal for the denuclearization of the Korean peninsula with this precise expectation and firm conviction, he introduced the content of the proposal.

In conclusion, he expressed the expectation that the Soviet publication and press circles will actively introduce the DPRK Government's new proposal for denuclearization and express support for it.

A question and answer session followed the news conference.

Japan-Korea Friendship Group Holds Meeting

SK0108060091 Pyongyang KCNA in English

0437 GMT 1 Aug 91

[Text] Pyongyang August 1 (KCNA)—The "Japan-Korea friendship boat" visiting group held a meeting for solidarity with the Korean people here on July 31.

Present at the meeting were the members of the visiting group led by Motofumi Makieda, representative member of the Japan committee for supporting Korea's reunification who was chairman of the former General Council of Trade Unions of Japan (Sohyo).

The meeting was attended by Chong Chun-ki, chairman of the Korean Society for Cultural Relations With Foreign Countries, Kim Kuk-hun, president of the University of National Economy and vice-chairman of the Korea-Japan Friendship Association, other officials concerned and working people in the city.

Contending that Japan should admit in explicit terms that its past occupation of Korea caused the tragedy of Korea's division, Ryosho Hayashi, director general of the Japan-Korea Cultural Interchange Association, said in his speech that Japan cannot shirk her responsibility as long as Korea remains divided.

He expressed full support to President Kim Il-song's proposal to achieve reunification through a confederacy on the basis of one nation, one state, two systems and two governments.

Speaking next, Kazuo Kishizuchi, chairman of the liaison council of societies for the study of the Chuche idea of Japanese teachers, said they are visiting Korea at a time when the international solidarity march for supporting Korea's reunification is going on worldwide. We fully support the proposal for founding a democratic confederal republic of Koryo put forward by the great leader His Excellency President Kim Il-song, he said.

He warmly supported the DPRK Foreign Ministry statement dated July 30 regarding the denuclearization of the Korean peninsula.

Motofumi Makieda demanded in his speech that the United States and the South Korean authorities accept with sincerity the DPRK's proposal to adopt a nonaggression declaration between the North and the South of Korea and replace the DPRK-U.S. Armistice Agreement by a peace agreement. He also demanded that the U.S. troops withdraw from South Korea, taking along all their nuclear weapons.

Charging that at the intergovernmental talks for the normalization of Japan-DPRK diplomatic relations the delegate of the Japanese Government created confusion by bringing up subjects which are contradictory to the joint declaration of the three parties and which have nothing to do with the talks, he said the conscientious Japanese people feel disgrace and resentment at it.

He sincerely wished good health and long life to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

Yi Chol-sin, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries, noted in his speech that the United States and the South Korean authorities are further stepping up their preparations for a nuclear war and nation-splitting moves, far from accepting the DPRK's fair and aboveboard proposals for reunification and peace. If a nuclear war broke out in Korea, it would immediately inflict a horrible nuclear scourge upon the peoples in the Asian region, he said, and added:

We hope DPRK-Japan diplomatic relations will be normalized in accordance with the principles of the joint declaration of the three parties so that the peoples of two countries may live on good terms as close neighbours.

A resolution of the visiting group was published at the meeting.

Expressing full support and solidarity for the South Korean people's struggle for national reunification, the resolution demands the South Korean authorities immediately release all the visitors to the North including the Rev. Mun Ik-hwan and woman student Yim Su-kyong.

It manifests strong support for the joint declaration of the three parties published last year, saying: We demand the Japanese Government promote talks in good faith and establish diplomatic relations at an early date in accordance with this declaration.

A banquet was given at the Mokran House in the evening for the "Japan-Korea friendship boat" visiting group.

WPK Secretary Meets Japanese Friendship Group

*SK0108111891 Pyongyang KCNA in English
1020 GMT 1 Aug 91*

[Text] Pyongyang August 1 (KCNA)—Hwang Chang-yop, secretary of the C.C. [Central Committee], the Workers' Party of Korea, today met and had a friendly talk with leading members of the "Japan-Korea Friendship Boat" visiting group on a visit to Korea.

On hand were Kazuo Kishizuchi, chairman of the liaison council of the society for the study of the chuche idea of Japan, and other leading members of the group and Kim Chin-pom, vice-chairman of the Korean Society for Cultural Relations With Foreign Countries.

Kim Il-song Greets JSP Chairman on Election

*SK0108050191 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 31 Jul 91*

[Congratulatory message from Kim Il-song, general secretary of the Workers Party of Korea (WPK) Central Committee, to Makoto Tanabe, Chairman of the Central Executive Committee of the Japanese Socialist Party (JSP) on 1 August—read by announcer]

[Text] Mr. Makoto Tanabe, Chairman of the JSP [Japan Socialist Party] Central Executive Committee, Tokyo:

I extend warm [yolyolhan] congratulations to you on your election as chairman of the JSP Central Executive Committee.

The assignment, with its important responsibility as chairman, is an expression of the lofty trust in and expectations of you by all members of your party.

I highly appraise the efforts that your party and you are making to develop the friendly relations between the people of Korea and Japan.

Availing myself of this opportunity, I wish to thank your party for always expressing firm solidarity with our people's just struggle for the independent and peaceful reunification of the nation. I firmly believe that the good traditional friendship and cooperative relations between our two parties will continuously and excellently develop in the future, too.

I wish you good health and greater success in your work to strengthen and develop the JSP in compliance with aspirations and desires of a broad range of democratic forces in Japan.

Kim Il-song, General Secretary, the WPK Central Committee
1 August 1991, Pyongyang

Cuban Magazine Views U.S. 'Smear Campaign'*SK0108060491 Pyongyang KCNA in English
0419 GMT 1 Aug 91*

[Text] Pyongyang August 1 (KCNA)—The Cuban magazine BOHEMIA No. 29 said the U.S.-spread rumours about "development of nuclear weapons" by the Democratic People's Republic of Korea is unfounded.

In an article published in support of the joint statement of the political parties and public organizations of the DPRK the magazine charged that in the recent few months the United States and the South Korean authorities have waged a wholesale smear campaign against the DPRK on the pretext of "nuclear threat from the North."

Roundly exposing the criminal acts of the U.S. imperialists in having turned South Korea into a gigantic nuclear arsenal and their nuclear blackmail, it queried who is really creating a nuclear threat.

Not only analysts but even Americans view the U.S. imperialists' anti-DPRK campaign as nothing more than a move aimed at blocking Korean reunification and keeping hold on South Korea as a military stronghold of the United States, wrote the magazine.

The reunification of Korea cannot be achieved with the danger of nuclear war hanging heavily over her, the magazine said, contending that for the solution of the Korean question it is necessary, first of all, to get the U.S. troops and nuclear weapons withdrawn from South Korea.

Collection of Castro's Works Published by WPK*SK0108055791 Pyongyang KCNA in English
0423 GMT 1 Aug 91*

[Text] Pyongyang August 1 (KCNA)—"Process of Doing Away With Shortcomings in Cuba," a collection of speeches of Comrade Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, was recently brought out by the Workers' Party of Korea [WPK] publishing house.

It is a translation version of "Let Us Eliminate Shortcomings", a book published by the political publishing house of Cuba (a collection of Comrade Fidel Castro's speeches on the course of getting rid of faults in Cuba in the 1986-1990 period).

Kim Yong-nam Meets Iranian Sports Delegation*SK0108054891 Pyongyang KCNA in English
0430 GMT 1 Aug 91*

[Text] Pyongyang August 1 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam Wednesday met and had a friendly conversation with the visiting delegation of the Physical Training Organization of the Islamic

Republic of Iran headed by Hasan Ghafari-fard, vice-president and chairman of the organization.

On hand was Hamid Malek-Abadi, charge d'affaires ad interim of the Iranian Embassy here.

Kim Yong-sun Meets With Danish Delegation*SK0108112391 Pyongyang KCNA in English
1019 GMT 1 Aug 91*

[Text] Pyongyang August 1 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly talk with the delegation of the Social Democratic Party of Denmark headed by Mogens Lykketoft, spokesman of politics and economy policy of the party.

Daily Lauds Consolidation of Social Ownership*SK3107115391 Pyongyang KCNA in English
1021 GMT 31 Jul 91*

[Text] Pyongyang July 31 (KCNA)—NODONG SINMUN today says that the consolidation of social ownership of the means of production is a law-governed requirement of the socialist society for its development.

The author of the article says:

Social ownership of the means of production is the economic basis of all advantages of socialism.

The dear leader Comrade Kim Chong-il in his immortal classical work "Our Socialism for the People Will Not Perish" explained the advantages of social ownership and stressed the need to consolidate social ownership in accordance with the law-governed requirement of the socialist society for its development.

Comrade Kim Chong-il said:

"Only in a socialist society which is based on social ownership can the popular masses enjoy an independent and creative life as genuine masters of the society. The people in our country experienced through their actual lives that social ownership alone provides them with an abundant and cultured life; they hold the system very dear and strive with devotion for its consolidation and development. The consolidation of social ownership is a law-governed requirement of the socialist society for its development."

The consolidation of social ownership of the means of production is a law-governed requirement of the socialist society for its development because it is a socio-economic basis for providing the popular masses with a worthwhile, happy life of independent people.

Social ownership is the economic basis for freeing the masses from exploitation and oppression and realising their social equality.

Under the system of social ownership, all socialist working people become genuine masters of the means of

production and have equal relations with one another, so exploitation of man by man is liquidated for good and the entire people lead a worthwhile life with creative labour for society and themselves.

Under the system of private ownership, the working masses are employed by capitalists and exploited and humiliated by them and have their elementary personality and dignity violated or lose their jobs, are deprived of their vital rights and find themselves in a miserable lot, forsaken in society, as seen in capitalist society. As long as private ownership remains in any form, the people cannot be fully provided with an independent and creative life. Today the imperialists and the reactionaries, loudly advertising the "advantages" of private ownership, are trying to restore private ownership in socialist countries, but are destined to fail.

Social ownership also makes relations of unity and cooperation prevail in the whole society and helps achieve the political and ideological unity of the entire people.

Under social ownership relations of true unity and cooperation in which people help and [word indistinct] forward each other are formed in the whole society and noble moral traits are displayed on the basis of collectivism and, furthermore, the whole society is closely united as a socio-political organism on the basis of one idea, the revolutionary idea of the leader.

But private ownership, the economic foundation of individualism, turns the relations of all people into man-to-man relations, makes corrupt reactionary idea and way of life which incite only the interest of individuals hold sway in society and causes all crimes, corruption, disorder and other social evils.

Social ownership also makes it possible to achieve fast progress of the economy and fully provide the popular masses with a stable living condition under the unitary guidance of the party and the state.

Socialist society is the only society in which everything [word indistinct] popular masses is ensured by the party and the state on their responsibility. The capitalist state pays no heed as to whether the people starve or freeze to death, have a job or not, and deformity of material life and the phenomenon of "the rich get richer, the poor poorer" can never be eliminated in capitalist society.

Noting that social ownership can be established, consolidated and developed only under the wise guidance of the party, the article stresses that the greatness and wisdom of the working-class party which builds socialism is appraised by how correctly it resolves the problem of social ownership.

Construction of University Buildings Continues

SK0108104991 Pyongyang KCNA in English
1002 GMT 1 Aug 91

[Text] Pyongyang August 1 (KCNA)—The construction of new buildings of Kim Chaek University of Technology, the biggest university of technology of Korea, is progressing fast.

The former total floor space of the university which is situated on the beautiful Taedong River of Pyongyang is over 96,000 square metres.

New buildings with a total floor space of more than 152,000 square metres are under construction at present.

The 15-storied main building with a total floor space of more than 90,000 square metres will have a total of over 1,070 rooms including more than 600 classrooms, 190 scientific study rooms and experimental rooms and 10 lecture rooms in tiers. Its frame assembling has been completed in the main and interior compartment brick laying and plastering (are) progressing in full scale.

The construction of a dormitory with a total floor space of more than 19,000 square metres and a 500-seat mess hall is near completion.

Among the new buildings under construction are a library which can house one million and several hundred thousand books and have more than 2,500 seats for readers, a 7-storied integrated circuit experimental house, a gymnasium and auxiliary buildings.

Rational methods of construction are being introduced constantly to complete all the projects at an early date.

KCNA Review of 1 Aug Pyongyang Press

SK0108080091 Pyongyang KCNA in English
0505 GMT 1 Aug 91

[Press review]

[Text] Pyongyang August 1 (KCNA)—Papers here today carry a photo-illustrated report that the great leader President Kim Il-song received internationalist soldier Ya. T. Novichenko and his entourage on a visit to Korea. Carried in the press is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Nicephore Soglo, president of the Republic of Benin, on the occasion of the 31st anniversary of the independence of Benin.

Papers print messages of greetings which came to Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, from Mu'ammarr al-Qadhdhafi, leader of the great September First Revolution of the great Socialist People's Libyan Arab Jamahiriyyah, and Dogu Peincek, chairman of the Central Committee of the Socialist Party of

Turkey, on the occasion of the 38th anniversary of the victory of the Korean people in the Fatherland Liberation War.

The U.S. newspaper THE NEW YORK TIMES carried a photograph showing a South Korean family watching President Kim Il-song on TV screen, says NODONG SINMUN.

An article of the paper says President Kim Il-song set shining examples of high revolutionary spirit and militancy, triumphantly pushing through difficulties in the whole period of leading the revolution and construction.

Works of the dear leader Comrade Kim Chong-il were reported abroad, says the press.

NODONG SINMUN reports that thanks of the C.C., the Workers' Party of Korea was conveyed to participants in the forum of loyalty of young vanguards and officials of the Pyongyang Municipal Committee of the League of Socialist Working Youth of Korea.

Carried in the paper are a message of greetings sent by the C.C., the Workers' Party of Korea to the 9th convention of the People's National Congress of Guyana and a message of greetings to the WPK central committee sent by the C.C., the Communist Party of India (Marxist) on the occasion of the month of international solidarity with the Korean people for the independent and peaceful reunification of Korea.

The French institute for national independence and non-alignment printed a bulletin, reports the paper.

MINJU CHOSON comes out with an article saying that Comrade Kim Chong-il visited the Oghon food administration office located in the plain area on the West Coast at the end of April 1966 and wisely led food administration offices and rice mills to effect a new revolutionary turn.

The daily carries an article headlined "Our Socialist Power Is one Serving the People".

"My Motherland" is the headline of a political essay of NODONG SINMUN.

Econews of the press includes reports about the innovations in the production of electricity and seed sowing of autumn vegetables at rural communities.

NODONG SINMUN informs the readers that the general secretary of the Central American united party and the general secretary of the C.C., the Communist Party of Honduras met respectively with a delegation of the Workers' Party of Korea in Managua.

Given in the daily is an account of the work for nominating delegates of the North side to the '91 pan-national rally held in different parts of the northern half of Korea.

Papers report about the sojourn in Korea of the "Japan-Korea friendship boat" visiting group.

Carried in the press is a letter sent over radio by the chairman of the C.C., the trade union of educational and cultural workers of Korea, to the chairman of the South Korean "National Teachers Union" regarding the opening of the August 15 "pan-national rally of educationists for reunification".

The press informs the readers that the head of the North side's delegation to the North-South sports talks sent to the chief delegate of the south side a telephone message proposing to hold the fifth round of North-South sports talks.

NODONG SINMUN reports that a leading member of the preparatory committee for the formation of the South side's headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon) rejected the proposal of the South Korean authorities for a "grand reunification march" and activities for the grand reunification festival of students are brisk in South Korea.

In a semi-monthly review of the South Korean situation, the daily exposes the anti-unification splittist nature of the South Korean ruling group.

The daily runs a commentary on the sophism of the U.S. ruling quarters to justify the production and deployment of nuclear weapons.

Functions for solidarity with the Korean people were held in different countries in demand of the withdrawal of the U.S. troops and nuclear weapons from South Korea, according to the press.

It is reported in NODONG SINMUN that Comrade Jiang Zemin laid stress on keeping hold on the construction of irrigation facilities and the Workers' Party of Korea publishing house brought out "Process of Doing Away With Shortcomings in Cuba", a collection of Comrade Fidel Castro's speeches.

The daily reports that the head of state of Libya called for coping with the military offensive of the U.S. troops, the presidents of Syria and Lebanon demanded the withdrawal of the Israeli occupationist troops and the minister of defence of the Soviet Union issued an order on the occasion of the naval day.

On the occasion of the 64th anniversary of the foundation of the Chinese People's Liberation Army, the daily introduces the 3rd guard division of the CPLA.

Papers observe the national days of Benin and Switzerland.

South Korea

North Summons Envoy to PRC To Discuss Visit

SK0108041391 Seoul SEOUL SINMUN in Korean
1 Aug 91 p 1

[Text] It was learned on 31 July that North Korea urgently summoned Chu Chang-chun, North Korean

ambassador to the PRC, to discuss the issue of Kim Chong-il's visit to the PRC. Thus the ambassador quickly returned home for a while.

A government official said: Although we do not know why and when Ambassador Chu returned home, we should pay attention to the fact that he was summoned home before North and South Korea's simultaneous admission into the United Nation. When we take into consideration the fact that North Korea recently has been strengthening the work of Kim Chong-il's hereditary succession, it is very possible that Ambassador Chu will discuss with the North Korean leadership in Pyongyang the issue of Kim Chong-il's visit to the PRC.

This official also said: At the sixth party congress held in 1980, Kim Chong-il was officially discussed as the successor. Thus, it seems that his visit to Beijing would officially make public his power succession at home and abroad.

He predicted that Kim Chong-il's visit to the PRC would possibly take place before and after 17 September, when the North's and South's simultaneous UN admission is realized.

For the first time, Kim Chong-il delivered a speech on the party's overall policy on 27 May 1991 at a function held by the Central Committee of the Workers Party of Korea. At the report meeting marking the 45th anniversary of the founding of the University of National Economy on 1 July 1991, the elevated title, "the great leader," was used for Kim Chong-il.

On the occasion of 80th anniversary of President Kim Il-song's birthday in 1992, North Korea has strengthened the work of the power succession.

It has been learned that Kim Chong-il tried to visit Beijing at the end of April this year.

At present, Pae Yong-chae, North Korean Embassy minister to Beijing, has taken over embassy work as its acting ambassador.

Delegates to North-South Talks Named

SK0108094191 Seoul YONHAP in English 0801 GMT 1 Aug 91

[Text] Seoul, Aug. 1 (YONHAP)—South Korea on Thursday named Song Han-ho, vice minister of national unification, and Yim Tong-won, chancellor of the Institute of Foreign Affairs and National Security, its delegates to the working-level contact on the fourth inter-Korean prime ministers' talks.

The preliminary working-level meetings begin Monday at peace house on the southern side of Panmunjom to seek a compromise on issues raised by two sides in preparation for the high-level talks in Pyongyang on Aug. 27-30.

North Korea Summons Envoys From Abroad

SK0108070591 Seoul KBS-1 Radio Network in Korean 0600 GMT 1 Aug 91

[Text] It has been learned that North Korea held a meeting in the middle of this past July in Pyongyang of the heads of its diplomatic and consular offices in foreign countries and discussed ways of coordinating its overall diplomatic policy, complying with South and North Korea's simultaneous admission into the United Nations.

A government official said today: North Korea summoned the heads of its diplomatic and consular offices in foreign countries in the middle of July except for its ambassador to the United Nations and some ambassadors who could not vacate their seats in some areas due to inevitable circumstances. North Korea informed them of its new diplomatic policy and plans for pending key issues in the future, such as the issue of signing the nuclear safeguard agreement with the International Atomic Energy Agency and its entry into the United Nations in September.

Recent Changes in North Signal Trade Opening

SK0108021191 Seoul THE KOREA TIMES in English 1 Aug 91 p 6

[Editorial: "N. Korea's Economic Opening"]

[Text] It is indeed an epoch-making development in inter-Korea relations that an initial shipment of 5,000 tons of South Korean rice has been delivered to North Korea recently. This marked the opening of direct trade between the two halves of the divided country.

North Korea is to send 30,000 tons of anthracite coal and 11,000 tons of cement to the South in return for the rice shipment. In addition, there are several other signs North Korea is seeking economic ties with South Korea.

It has been reported that North Korea has invited foreign businesses including South Korean firms to participate in the projected construction of a special economic zone in Chongjin in the northeastern province of Hamgyong-pukto.

The Pyongyang invitation was made by a North Korean representative at a recent conference of the United Nations Development Program (UNDP) which took place in Mongolia, according to the report.

Notably, North Korea has recently stepped up its diplomatic opening moves by filing a bid to enter the United Nations, accelerating talks with Japan to normalize their diplomatic ties and resuming its efforts to improve relations with the United States.

And last week, according to news reports, North Korean leader Kim Il-song himself uttered remarks recognizing

political changes in East Europe. These were seen as a gesture indirectly indicating a readiness to open North Korea politically.

Putting these developments together, great significance may be attached to the signaled opening of the North Korean economy internationally by inviting foreign investors to participate in the construction of the special economic zone.

The nature and characteristics of the projected special zone are yet to be made known. Accordingly, it may be premature for our government and business circles to respond to the North Korean bid.

However, it is suggested they consider a positive response in a number of ways to expand exchanges in all fields. In this context, we welcome the prompt decision by the government to dispatch government officials to North Korea as members of the UNDP survey team to help with the projected construction of the special economic zone in North Korea.

As the establishment of the special zone is reportedly being pushed as a UNDP project to develop Northeast Asia, the Pyongyang offer deserves to be taken seriously.

The details of the project are expected to be disclosed at a meeting of conferees from seven countries including South and North Korea, Japan, China, the Soviet Union and Mongolia.

If this exchange under the umbrella of the United Nations proves successful, divergent inter-Korea economic cooperation between South and North Korea can be expected through other organizations of the world forum like the Economic and Social Commission of Asia and the Pacific (ESCAP) and the U.N. Industrial Development Organization (UNIDO).

The simultaneous entry of both South and North Korea into the U.N., now slated for September, is also likely to be conducive to promoting other kinds of exchanges through international organizations. This is because the two parts of the divided country can do away with their long-standing "consumptive" confrontation only after they get U.N. membership.

If Pyongyang really wants economic exchanges with Seoul, it should officially recognize the Republic of Korea as a trade partner as an initial step. North Korea should first change its hackneyed strategy of refusing to recognize South Korea and seeking to communize the South by force.

In fact, North Korea still appears to remain reluctant to expand direct trade with the South in an open way. For this reason, suggested under the present circumstances are not only direct exchanges but also these indirect economic exchanges via U.N. bodies.

Government Considers Investing in North Economy

SK0108013291 Seoul YONHAP in English 0046 GMT
1 Aug 91

[Text] Seoul, Aug. 1 (YONHAP)—The South Korean Government is cautiously studying ways to open joint-venture consumer goods factories in a free trade zone planned for North Korea's Tuman River area, a highly-placed government official said Thursday.

First priority will be given to textile, footwear and other consumer goods and electronic firms as labor-intensive operations can make the best use of South Korean capital and cheap North Korean labor, the official said.

"Our enterprises will be encouraged to make inroads into North Korea as soon as Pyongyang makes public the plan to form a free trade zone comprising Chongjin, Najin, Unggi and Saebjol. We will also give emphasis to promoting joint investment," he said.

He said the government was making every effort to confirm North Korea's commitment to the much-touted Tuman River development project, which was unveiled after a week-long regional meeting from July 5 in the Mongolian capital of Ulaanbaatar under the support of the United Nations development program.

In the meeting, South and North Korea and China agreed to develop the Tuman into a regional trade zone.

The official said advancement into the trade zone was necessary not only because of the abundant and cheap labor it would yield, but also because it would constitute preparation for Korean reunification.

Prime Minister Choe Ho-chung recently confirmed the government's intention to actively promote joint ventures between the two Koreas in addition to direct trade.

The two sides have just begun to trade Southern rice for Northern cement and coal for the first time since they were divided at the end of World War II in 1945.

The official said the two Koreas should sign investment guarantee and avoidance of double taxation accords before they begin joint investment.

"Such agreements may be implemented only within the boundary of the free trade zone," he said, adding that they were needed for personnel and materials exchange, free flow of capital and free communications among enterprises operating in the zone.

Consumer goods produced by joint-venture factories in the trade zone would be exported in the first stage and only later sold to North Koreans, he said.

*** North Uses Social Organizations in Diplomacy**

912C0246A Seoul CHUNGANG ILBO in Korean
27 May 91 p 9

[Article by reporter An Hui-chang: "Unveil North Korean Social Organizations"]

[Text] The North Korean social organizations, including the League of Socialist Working Youth of Korea, are actively involved this year in carrying out North Korean foreign policies, including the policy toward South Korea.

Analysis reveals that the North Korean Government utilizes the social organizations as an initial step toward establishing diplomatic relations with foreign nations in an effort to avoid international isolation. Furthermore, these organizations seem to take advantage of possible communications with similar organizations in South Korea. North Korea sent representatives of the League of Socialist Youth of Korea to Japan from 3 to 13 May to support its effort to expedite the opening of diplomatic relations with Japan.

The Institute for Arms Reduction and Peace invited members of the U.S. Asian Society, headed by University of California Professor Scalapino, to discuss means of improving relations with the United States.

North Korea's General Federation of Trade Unions, the Union of Agricultural Working People, and the Korean Democratic Women's Union proposed holding a dialogue with similar organizations in South Korea, such as the National Labor Council, the National Alliance of Farmers, and the Korean Women's Association, respectively.

As the communist parties in the Eastern Bloc nations collapse, it is anticipated that North Korea will change the traditional way of implementing foreign policies by the party and the central government to utilization of these social organizations as the front line of diplomacy.

There are about 100 labor, mass, and social organizations in North Korea. Their characteristics are different from those of similar organizations in South Korea.

While there are multi-organizations under a specific trade or class in South Korea, there is only one organization in North Korea representing each sector of the students, youths, and farmers.

The function of these organizations is commonly defined. Article 56 of the Workers Party of Korea [WPK] regulations specifies that "The mass organizations are political organizations, representing the vast working mass, the party's external organizations that succeed the glorious tradition of the revolutionary struggle against Japan, and organizations for ideological indoctrination."

According to the article, these mass organizations have been carrying out the party's confronting policies through regular meetings.

Especially after the World Youth Festival in 1989, the organizations have been reinforcing the ideological indoctrination and the solidarity among the people, in order to tighten the discipline loosened by the lingering foreign influence of the Festival.

While making a partial contribution to the function of the reunification strategies of the Korean peninsula, the mass organizations concentrate on expanding their influence by reinforcing their relationships with pro-North Korean organizations in foreign countries.

The League of Socialist Working Youth of Korea: The League is the most important mass organization in North Korea.

The League was established in January 1946 as the Democratic Youth League of North Korea and changed to the current name in May 1964.

Anybody between 14 and 30 years of age can be a member of the League and the current membership totals about 4 million.

The major tasks of the League are: reinforcing the youths with the party's ideological framework; liberating South Korea from the U.S. imperialists and from reactionary politics; and reinforcing the reunification line with working youths, farming youths, and youth students in South Korea.

The major conferences that the League initiated are the fourth session of the Seventh Supreme People's Assembly (SPA) in June 1983 and the 15th plenary session of the WPK Central Committee in August 1989.

The fourth session of the Seventh SPA was held in Hweryong with the major agenda of "The Task of Further Intensifying the Support of the Work of the Party Leadership." It was decided, at this meeting, that the League will be developed as the core power to support the power transfer to Kim Chong-il.

In the 15th plenary session of the WPK Central Committee, which was held in Pyongyang right after the International Youth Festival, it was decided that North Korea will adhere to the socialist system forever. The chairman of the League is Choe Yong-hae.

The General Federation of Trade Unions of Korea (GFTU): The GFTU was originally established in 1945 as the Trade Unions of North Korea, which was expanded to the current Federation by absorbing the National Council of Labor Unions in January 1951.

The membership of the Federation consists of workers, technicians, and office workers of 30 years of age and above, who are not members of other organizations such as the Union of Agricultural Working People of Korea.

The major duty of the Federation is indoctrinating workers in communism, as the president of North Korea, Kim Il-song, said of the Federation's duty, "reinforcing

the members with the communist ideology while mobilizing them for the socialist construction." The chairman of the Federation is Kim Pong-chu.

The Union of Agricultural Working People of Korea: The Union was originally established in December 1945 as the National League of Farmers' Unions.

In February 1951, it changed its name to the Korean Farmers' League. After Kim Il-song's "Theses on the Socialist Agricultural Problems," was published in 1964, the former League settled as the current Union.

Membership consists of farmers as well as those working in fields related to agriculture, such as cooperative farms, factories manufacturing agricultural machinery, and irrigation facilities.

Although the Union is currently devoting all its energy to achieving the goal of increasing the production of food grain crops to 15 million tons, which was one of the 10 major prospective targets adopted at the sixth party conference in 1980, the result seems to be far below the goal, considering the recent food crisis in North Korea. The chairman of the Union is Pak Su-tong.

The Korean Democratic Women's Union: This Union, with Kim Il-song's wife Kim Song-ae as chairwoman, was established in November 1945 as the North Korean Democratic Women's Union. In January 1951, the Union was reorganized in its current organization.

Membership consists of ordinary women, who are not members of other mass organizations such as the League of Socialist Working Youth of Korea or the General Federation of Trade Unions of Korea. Current membership is estimated to be approximately 2.5 million.

Discussion of Joint Denuclearization Proposed

SK0108110991 Seoul YONHAP in English 1051 GMT
1 Aug 91

[Text] Seoul, Aug. 1 (YONHAP)—South Korea, responding Thursday to a North Korean proposal for denuclearization of the Korean peninsula, counterproposed that the two sides discuss nuclear non-proliferation, first suggestion that the nuclear issue can be discussed at bilateral talks.

"The Korean Government takes note that North Korea's proposal concerning the establishment of a nuclear-free Korean peninsula as made in its Foreign Ministry statement on July 30, 1991, contains some new details compared with its previous proposals," said an official statement released by the South Korean Foreign Ministry spokesman.

It must be made clear, the statement said, that North Korea must accept full-scope inspection of all its nuclear-related materials and installations, including nuclear fuel reprocessing facilities.

"The fulfilment of this obligation cannot be linked with any other issue," it said, referring to Pyongyang's policy of linking the issues of U.S. nuclear weapons deployed in South Korea to its signing of the nuclear safeguards accord.

"After having made this clear, the Korean Government considers that, for the purpose of reducing tension and building confidence on the Korean peninsula, military and other methods including nuclear non-proliferation can be discussed between the South-North authorities in the future," it said.

This is the first indication by the Seoul government that the nuclear issue can be discussed between the two sides.

Vice Foreign Minister Yu Chong-ha on Thursday told a morning cabinet meeting that North Korea made a similar proposal in 1989 which suggested a tripartite declaration of denuclearization be signed by South and North Korea and the United States.

Tuesday's statement, however, suggested limiting the concerned parties to South and North Korea, Yu told the cabinet.

A ministry official said, however, that the inter-Korean discussion will not spread to the problem of U.S. nuclear weaponry in South Korea.

The two sides, he said, would be able to talk about nuclear non-proliferation between South and North Korea.

North Korea last Tuesday made a three-point proposal for denuclearizing the Korean peninsula. It said that Seoul and Pyongyang should jointly declare to make the peninsula nuclear free and that nuclear weapon states, including the United States, China and the Soviet Union, shall guarantee the nuclear-free status of the Korean peninsula.

Ministry Drafts Agreement on Joint Olympic Team

SK0108092491 Seoul YONHAP in English 0837 GMT
1 Aug 91

[Text] Seoul, Aug. 1 (OANA-YONHAP)—The South Korean Sports and Youth Ministry has completed drafting an agreement on sending single Korean teams to the 1992 Winter and Summer Olympics. The draft, which will be presented to the North in the fifth inter-Korean sports talks on Aug. 17, is virtually the same as the agreements which set the basis for joint participations in the world table tennis and youth football championships earlier this year, except on leadership.

It proposes that the head of the joint Olympic squad come from the side that has most athletes on the team and that his deputy be from the other side.

In the fourth round of sports talks in February, it was agreed North Korea would head the table tennis team in Chiba, Japan, in April, and South Korea the soccer team

in Lisbon in June regardless of the number of athletes from either side. Other agreements included the team name, team flag and team song.

The draft calls for the two sides to complete formation of a team for the Albertville winter games (Feb. 13-28) before the end of the year and of a team for the Barcelona Olympics (Sept. 17-Oct. 2) by April 25 next year and to notify the International Olympic Committee of the results. To meet the deadline, agreement should be reached by the end of October for the winter games and by the end of the year for the summer games, the South Korean draft says.

South Korean sports officials see considerable problems in selection of athletes for the Summer Olympics, which poses more problems than the winter games because of the greater number of events. Selection for team events and events in which athletes compete for records should be based on team or individual performances in regional qualifying competitions, the draft suggested. Selectors for track and field, swimming, shooting and wrestling would thus primarily consider performances in the tryout competitions.

For team events such as soccer, volleyball and basketball, members of the Olympic qualifying teams should be bolstered by prominent athletes from the other side.

Tryout competitions should be considered in selecting athletes for boxing, wrestling, judo and gymnastics.

The draft calls for joint training of more than a month in each Korea and training in a third country when it is unavoidable.

To supervise the agreement and to manage selection and training, a joint committee should be formed and joint secretariats set up in Seoul and Pyongyang manned by working-level officials, it said.

Textile Exports to U.S., Canada Decline

SK0108085291 Seoul YONHAP in English 0707 GMT
1 Aug 91

[Text] Seoul, Aug. 1 (YONHAP)—South Korean textile exports to the United States and Canada plunged in the first half despite an overall increase over the same half a year earlier, the Korea Federation of Textile Industries (KFTI) said Thursday.

Total textile exports in the first half were up 2.8 percent at 7.22 billion U.S. dollars, but sales to the United States and Canada were off 18.2 percent and 26.7 percent, respectively, at 1.61 billion dollars and 1.99 billion dollars, KFTI said.

Exports to Japan slipped 0.2 percent, highlighting a decline in the competitive edge of Korean textile goods in advanced nations, KFTI said.

Exports to Southeast Asian countries and Europe climbed 22.6 percent and 24.8 percent on special demand in China and Germany.

By item, exports of raw materials and woven goods grew 18.6 percent and 19.2 percent, respectively, but manufactured goods sank 8.1 percent from the same period last year.

Experts said the trends would continue in the immediate future because of the manpower shortage, a growing disdain among workers for manufacturing jobs and harsh competition with less-developed nations.

Former Premier Allegedly Taking Letter to PRC

SK0108021391 Seoul THE KOREA HERALD
in English 1 Aug 91 p 1

[Text] Former Prime Minister Sin Hyon-hwak will visit China in September with personal letters from President No Tae-u to Chinese leaders, it was reported yesterday.

No will express his wish for a Korea-China summit and early normalization of ties between the two countries in the letters, according to the Tong-a Ilbo.

The paper said Sin, chairman of Samsung Co., is to visit Beijing around Sept. 17, when South and North Korea are expected to be admitted to the United Nations, at the invitation of former Chinese Foreign Minister Huang Hua.

Sin will meet with the Chinese Communist Party leader Jiang Zemin and Premier Li Peng while in Beijing and deliver letters from No, it said.

The paper said Sin will also convey Seoul's hope for establishment of diplomatic ties with China by the end of this year.

Quoting an unidentified senior foreign service official, the Tong-A said China is not expected to further delay normalization of ties with Seoul when South Korea is admitted to the United Nations. "By allowing the entry of South Korea to the United Nations, China virtually recognizes South Korea," the official was quoted as saying.

Sin visited Moscow in June last year with a letter from President No to Soviet President Mikhail Gorbachev. Seoul and Moscow opened diplomatic relations in New York Sept. 30.

The Foreign Ministry in Seoul, however, refused to confirm Sin's planned visit to China.

"We don't have any information about his visit at the moment," a ministry spokesman said.

A spokesman for Samsung Co., one of South Korea's largest general trading houses, also said Sin will not visit Beijing in September.

"It is not true," Hwang Ung-yong, the spokesman, said by telephone.

Japanese Underprice Local Petrochemical Makers

*SK0108024791 Seoul YONHAP in English 0205 GMT
1 Aug 91*

[Text] Seoul, Aug. 1 (YONHAP)—Japanese companies have slashed their prices for ethylene and propylene in South Korea so steeply that they have endangered the market order, Korean business sources charged Thursday.

It is the first time Japanese companies have sold petrochemical raw materials here at prices lower than those prevailing on the Korean market, the sources said.

Until June, Japanese ethylene sold here for 640 U.S. dollars a ton and propylene for 570 dollars a ton, but the price was cut by an average 170 dollars for ethylene and 120 dollars for propylene, the sources said.

Local producers are feared to suffer setbacks as Korean ethylene sells for 514 dollars a ton and propylene for 487 dollars a ton.

The sources said they thought the Japanese companies lowered their prices as the Korean supply of the two items was expected to rise sharply in the latter half of the year.

Subsidiaries of the Lucky-Goldstar, Samsung and Hyundai groups have just started, or will shortly start, to manufacture ethylene and propylene.

OBSE To Seek Court Order for BCCI Closure

*SK0108101891 Seoul YONHAP in English 1005 GMT
1 Aug 91*

[Text] Seoul, Aug. 1 (OANA-YONHAP)—South Korea's Office of Bank Supervision and Examination (OBSE) decided Thursday to file an application with the Seoul District Civil Court for an order for the closure of the Seoul branch of the Bank of Credit and Commerce International (BCCI) sometime next week.

The decision, a follow-up to the Monetary Board's formal revocation of the business license of the BCCI's Seoul branch, was taken to enable the bank to take legal procedures for liquidating its operations here.

If the application is filed, the court will examine it for two months before deciding whether to issue an order for its closure. Once the court had decided to accept the application, it would designate a liquidator and announce a public summons to accept reports from creditors and debtors for two months from then on.

Liquidation of BCCI Expected To Take 6 Months

*SK0108061891 Seoul YONHAP in English
01 Aug GMT 0538 91*

[Text] Seoul, Aug. 1 (OANA-Yonhap)—South Korea's monetary board revoked the license of the Seoul branch of the Bank of Credit and Commerce International (BCCI) on Thursday, initiating the liquidation of its operations here.

The Office of Bank Supervision and Examination (OBSE) was expected to immediately file for liquidation with the court, but OBSE sources said it will take up to six months before the winding up of BCCI's Seoul branch is completed.

OBSE might petition the court to save depositors' savings first and was studying ways to allow foreign embassies in Seoul to pay their staff and move funds through the branch during the six-month period, the sources said.

There was no problem protecting depositors, they said, as BCCI's Seoul branch had 27.6 billion won on deposit against 34.9 billion won in loans.

Of the deposits, 3.4 billion won was deposited by diplomatic missions from 27 countries and 2.1 billion won by diplomats and embassy employees.

BCCI's Seoul branch was a popular channel of reimbursement for Korean firms operating in the Middle East and for construction workers, whose deposits amount to 12.8 billion won and 2.9 billion won, respectively, the OBSE sources said.

Korean exporters who have letters of credit opened at BCCI will experience some difficulty, as will people who have bonds issued with a BCCI payment guarantee, they said. BCCI guaranteed payment of 164.7 billion won in such bonds.

According to the Trade and Industry Ministry, closure of BCCI's branch in Seoul will cost Korean trading companies 22,796,000 U.S. dollars.

BCCI's Seoul branch has four foreign and 73 Korean employees who must vacate the offices within one month of the liquidation process beginning.

BCCI opened its Seoul branch on Nov. 9, 1977. The branch's assets were frozen July 6.

Human Rights Report Submitted to United Nations

*SK0108093491 Seoul YONHAP in English 0844 GMT
1 Aug 91*

[Text] Seoul, Aug. 1 (OANA-YONHAP)—South Korea submitted a report Wednesday to the U.N. Department of Human Rights on civil and political conditions in the nation, the Foreign Ministry said Thursday.

The document, titled "Initial Report of the Republic of Korea Under Article 40 of the International Covenant on Civil and Political Rights (ICCPR)," contains general

explanations of Korean laws, their applications and information relating to each article of the covenant.

South Korea joined ICCPR in July 1990 and Article 40 of the covenant requires all member countries to submit a report within a year of joining.

North Korea joined the covenant in 1981, but has yet to submit the required report, the ministry said.

There are three clauses with which South Korean laws conflict—appeal against a death sentence at a military trial, double jeopardy and labor activities in the public service sector.

The U.N. Department of Human Rights, headed by the U.N. Undersecretary-general, oversees the activities by the Human Rights Commission, its subcommittee and the Human Rights Committee.

The department, on recommendation from these three bodies, has the authority to send rapporteurs to countries suspected of repeated human rights violations.

ICCPR currently has 91 member countries.

Leaders To Suspend Discussion on Elections

SK0108025091 Seoul YONHAP in English 0116 GMT
1 Aug 91

[Text] Cheju, Aug. 1 (YONHAP)—The ruling party's executive chairman and its secretary-general, Kim Yong-sam and Kim Yun-hwan, agreed Wednesday to temporarily bury discussion of the political timetable, notably when and how the party should elect a candidate for president, in deference to President No Tae-u's instruction.

The two leaders of the ruling Democratic Liberal Party (DLP) disagreed, however, on how temporary their party's silence should be: Kim Yong-sam said, "For a while;" but Kim Yun-hwan specifically said the topic should not resurface until the regular national assembly sitting closes at the end of December.

Party sources said that given this difference of opinion, the political-timetable debate may revive as soon as United Nations application procedures are completed in September.

Kim Yong-sam's aides said that the executive chairman, referring to factional clustering around Co-Chairman Pak Tae-chun and veteran politician Yi Chong-chan, had said an intra-party schism must be strictly prohibited.

He differentiated between temporary suspension of discussion and the DLP's responsibilities, saying that although the political timetable should be put aside for now, the party must soon formulate its future leadership structure and convene an early national party convention to ensure victory in the next presidential election, the aides said.

Controversy over the presidential nomination flared last week when Choe Yong-chol, special adviser on political affairs to the president, said the DLP should choose its presidential candidate through open competition and not handpick a nominee.

No ends his single five-year term in February 1993, and he cannot run again.

Choe's remark hit Kim Yong-sam, leading contender in the race for the nomination, the hardest. His chances of winning the nod in an open competition are considered slim due to deep factional strife.

During his 90-minute dinner conversation with the DLP secretary-general, Kim showed deep dissatisfaction with Choe's remarks and questioned whether they reflected the opinion of President No himself. He reminded the secretary-general that No had said earlier that all discussion of the political timetable should be suspended for now.

Kim Yun-hwan responded that Choe's statement was his personal opinion and fully agreed with his boss that their first task was to tone down factionalism and suspend all discussion of the political timetable.

Kim Yun-hwan is expected to brief No next week on his meeting with the DLP executive chairman, who says he is in Cheju on a summer vacation but has been busy contacting government and party leaders.

BOK Report Calls For Tight Monetary Control

SK0108023291 Seoul THE KOREA HERALD
in English 1 Aug 91 p 6

[Text] Sustained growth of the Korean economy requires restrained government spending and tight monetary control, a Bank of Korea [BOK] report said yesterday.

Korea's gross national product will likely grow by an annual average of 8.2 percent in real terms and consumer prices will increase 4.5 percent during the seventh five-year socioeconomic development period (1992-96) if the M2 growth rate is curbed at 17 percent, the report said.

A 20 percent increase in M2 would slow the economic growth rate to 7.9 percent, while pushing up the inflation rate to 6.7 percent, it said.

The report projected the current account will begin to enjoy a surplus again next year, after suffering a \$4.45 billion deficit this year.

Government Plans Changes in Fisheries Industry

SK0108025391 Seoul THE KOREA TIMES in English
1 Aug 91 p 8

[Text] The government is considering legislation to control foreigners fishing in the nation's territorial waters to protect domestic fishermen.

The legislation also aims at banning direct imports of fish caught by foreign fishermen to the nation.

In supplementary measures against the import liberalization of marine products, the National Fisheries Administration said yesterday that a similar law has existed in Japan since July, 1967.

The law will ban foreign fishing vessels from catching fish, mammals and sea plants in the nation's territorial waters and from calling at domestic ports except for cases of distress at sea.

Meanwhile, spokesman said, the government will scrap 70,000 tons of fishing vessels, mainly winged stownet and offshore stownet ships over the next 10 years to protect marine resources.

Winged stownet fishing boats catch shrimp and offshore stownet boats catch hairtails, devastating marine resources due to the fineness of nets, the spokesman said.

The tonnage represents about seven percent of the nation's total fishing fleet of 963,00 tons.

About half a million tons of aged and inefficient fishing boats will be replaced by new and fuel efficient ones in the 1992-96 period to sharpen competitiveness after the liberalization of marine imports. This year, 5,700 tons of fishing vessels will be replaced with new ones.

The government announced the import liberalization for 61 marine products for the 1992-94 period on March 29 in accordance with the recommendation of the GATT's balance of payment (BOP) committee.

The government will encourage squid fishermen to turn to other jobs as coastal nation including New Zealand plan to restrict squid fishing in the southwest Atlantic Ocean.

Fishermen farming eels and yellowtails will also be encouraged to switch their farms to other fish as they have been losing competitiveness against foreign products.

An overseas fisheries development corporation will be established to actively develop new fishing beds in foreign territorial waters.

To improve distribution systems for marine products, the government will expand live fish sales centers by 9,000 square meters and arrange for an increase of 300 refrigerator trucks.

The marine processing industry will also be fostered to develop processed marine products with fish caught in massive quantities.

To support production and processing policies, the state-run Fisheries Research and Development Agency in Yangsan, Kyongsangnam-to, will be expanded with an increased budget.

By the year 2001, the research agency will establish a massive production system for 30 kinds of fish including rod sea breams, common sea basses and prawns.

In preparation for flooding imports of marine products after imports liberalization, the government will also strengthen inspection systems and seek rescue systems against items damaged by imported marine products.

* Exempts From Draft To Join Industrial Labor

* Details of Measure

912C0231A Seoul TONG-A ILBO in Korean
14 May 91 p 11

[Article by reporter Kim Kwang-won: "Exempts From Reservist Service Are To Work in Defense Industries; the New Exemption From Reservist Service Will Have the Merit of Easing the Manpower Difficulties"]

[Text] Controversy has sprung up over the government decision to introduce an "extraordinary measure with regard to industrial technical personnel" aimed at diverting would-be defense service draftees to the industrial technical labor force.

To justify the new measure, the government claims that the measure will simultaneously resolve both the problem of manpower difficulties in manufacturing and other productive sectors and that of the long waiting period for would-be draftees before entering defense service [as separate from regular military service]. Nevertheless, many take a negative view of the new measure for various reasons ranging from the fundamental problem involving the diversion of obligatory military service as stipulated in the constitution to practical problems concerning the proper implementation and effectiveness of the new measure.

First, those against the new measure point out that the government measure providing for a new exception to military service runs counter to the principle of the duty to defend the territory of the country and the principle of universal conscription as provided for in the constitution. They maintain that obligatory military service cannot be imposed upon any other duties than the duty to defend the country and that exceptions to military service provided by various extraordinary measures will cause inequity and imbalance in military service.

Furthermore, these critics point out that in April last year the Ministry of National Defense integrated 15 different categories of exemptions from military service into only a few, such as essential research personnel, public health physicians, and essential technical personnel, and that coming in the wake of this integration, the new measure which expands the categories of exemption once again is indicative of the shortsightedness on the part of its planners and detracts from public trust in the government.

The new exemption measure draws particular attention because it forbids exempts from the draft to join trade unions. Labor organizations, such as the Korea Federation of Trade Unions [KFTU] and the National Council of Trade Unions [NCTU] are strongly opposed to the new measure on the grounds that it "is an unconstitutional measure infringing upon the workers' right of organization, a fundamental right guaranteed by the constitution."

The KFTU criticizes the government authorities for declaring that "the moment anyone working in an enterprise as an exemption from defense service joins a trade union or loses his job, a draft notice will be served on him, and this declaration represents the same old style of operation as it is aimed at converting industrial work sites into barracks and depriving the workers of their legitimate rights." The NCTU and the Metal Workers Union issued statements saying that "the shortage of manpower in the manufacturing sector has been caused by the widespread luxury- and pleasure-seeking tendencies and the failure of the government's manpower supply policy," and that "the government should retract its plan to deprive the workers of their right of organization."

The critics also point out the various questions which involve the new measure, including the dubious status of exempts as to whether they are civilians or soldiers, doubts as to whether the five-year period is appropriate or not, and the possibility that the measure is open to abuses as a means to avoid military service.

Commenting on the new exempt measure, Yim Chong-yul—(law professor at Sungsil University)—said: "Basically, it is unreasonable to substitute labor for military service. In addition, admitting that diverting military service manpower resources to productive labor is the last resort, those working in production sites should be looked upon as workers; hence, their right of organization guaranteed under the constitution should not be infringed upon."

A certain Kim, 24, who is working at a defense industry establishment in Anyang, Kyonggi Province, as a technician exempted from military service, said that "as a matter of fact, I don't know how to describe my agony of having to try to get on the good side of the employer for five years. The moment you are fired, your years of service will go down the drain and you have to join the army. This agony would be beyond comprehension for those who have had no such experience." He added, "the new measure of exemption, which even bars draft-exempts from joining a trade union, cannot but be seen as a collusion between government and business."

Needless to say, the government authorities, including those in the Economic Planning Board [EPB] and the Ministry of Labor, have a different view. First, they point out that manufacturing and other industrial sectors are beset with a dire manpower shortage, but no appropriate "countermeasures" can be found.

A government estimate sets the total 1990 manpower shortage in industry as a whole at 192,000, of which the manufacturing sector accounts for 150,000, or 78 percent, which represents a shortage most severe among all industries. They also say that many small and medium manufacturers are clamoring for help saying, "it is not the problem of money. We are on the verge of having to close our operations due to the manpower shortage, so the government should come up with some ways to secure manpower for us."

Originally, as a measure for resolving the labor shortage, the government was considering a plan to import labor from overseas. But, faced with strong opposition on the part of labor organizations, the government had to shelve this plan and instead came up with the new measure in question in an effort to ease the labor shortage, even for the short run, by utilizing the surplus military manpower reserve.

An EPB administrative officer who handles the overall aspects of the new exemption to defense service stressed that "the manpower shortage in the manufacturing sector has already passed its limit," adding that "the measure for utilizing the surplus military manpower to relieve the labor shortage should not become the target of criticism."

He asked: "A considerable number of people awaiting defense call-ups are neither serving in the army nor have jobs. Given this situation, is it wrong to give them an opportunity, if they choose, to work in an industrial establishment?"

Concerning the ban on joining a trade union, the same administrative officer said: "Pros and cons were expressed at meetings of concerned government ministries and agencies. But we should consider the possible disadvantages which the exempts from the draft will have to suffer almost forcibly. The ban on joining a trade union has some merit of protecting them."

According to him, the Government Legislative Administrative Agency is of the opinion that exempts under the new measure have the status of "extraordinary reservists," and this offers the grounds for banning them from joining trade unions.

However, he said that "no conclusion has been reached yet on the details of amendments to the enforcement regulations to legalize the ban on joining trade unions." "The matter," he added, "will be settled after full consultations among ministries concerned."

Professor Pak Se-il of Seoul National University (judicial economics) takes the position of supporting the new measure in principle. He said: "Under the present circumstances, it is desirable to make maximum utilization of the domestic manpower resources. Labor claims that the manpower structure is distorted, but this distortion cannot be corrected in a day or two. Operating the economy means solving actual problems. In my opinion, it is appropriate to take a transitory measure to ease the

labor shortage even by utilizing military manpower resources, along with long-range measures for the reorganization of the manpower structure."

The government plans to put the finishing touches on the draft amendments to the regulations for enforcement of the Law on Special Exceptions to Obligatory Military Service before the end of May and select eligible industrial establishments by the end of July before beginning to receive applications in August. What is clear about the new measure is that it cannot be "a permanent measure for resolving the labor shortage." As far as the Ministry of National Defense is concerned, the ministry is in the stage of working out measures to abolish the defense service system [as distinct from the regular military service system] in anticipation of a drastic decrease in the military manpower resources beginning in 1995.

True, there is a labor shortage. But, it is also a fact that as pointed out by labor organizations, there is much idle labor arising from the distorted manpower structure. The view therefore sounds more convincing that it is urgent for the government to take basic and permanent measures to induce active flows of manpower from service and other non-manufacturing sectors to the manufacturing sector.

[Box, p 11]

Major Features of the Extraordinary Exemption to Reservist Service:

According to the measure announced by the government on 6 May to supplement technical personnel in industries, beginning in September, anyone awaiting a defense call-up can choose to work in an industrial establishment for a period of five years instead of serving as a defense reservist (18 months). At the end of the five-year civilian employment, they will be regarded as having completed their military service.

This new system opens the way for diverting between 10,000 and 15,000 people from among those awaiting defense call-ups to industries by revising the regulations on essential technical personnel, adopted in April last year, for the enforcement of the Law on Special Exceptions to Obligatory Military Service.

To qualify for the benefit of the extraordinary measure, the applicant first has to choose one of the specified industrial establishments the government designates and sign an employment contract with it and then notify the branch of the Office of Military Manpower Administration [OMMA] in his area of the contract at least five days before the day on which he is originally scheduled to enter defense service. To be selected as an exempt, the applicant does not need to have qualifications as a vocational technician. But he is required to acquire qualifications at least as an assistant vocational technician during the six-month vocational training period (three months for construction and other specified industries) after being selected as an exempt from defense service.

Vocational training will be carried out at the training facilities of each enterprise or in the Vocational Training Administration Corporation. The training period is extendable for those who fail to obtain the qualification during the specified training period. Exempts also have to receive military training for four weeks, which will be administered step by step beginning in 1992.

Both the vocational and military training periods are credited as part of the five-year employment period.

The scope of industrial establishments falling under the extraordinary measure will be expanded. In the future, the Ministry of Trade and Industry and the Ministry of National Construction will survey firms in need of manpower under this measure and expand the categories of qualified firms (to include nonferrous and footwear industries, in addition to seven major industries including steel and machine-building), and also ease the restrictions on the minimum number of employees required (from 200 or more to 100 or more) before beginning to receive applications from firms for a designation as firms falling under the extraordinary measure. Upon recommendation by the Ministry of Trade and Industry, the Council for Examination of Special Exceptions to Military Service, chaired by the deputy director of the OMMA, will designate specific firms.

The upper limit on the manpower diverted to industries is set at 15,000 a year, and permission for an exemption from military service will be granted only to those who apply for it. However, when the number of applicants exceeds the upper limit, a specific number will be assigned to each industry within this limit. Those who work in private firms falling under the extraordinary measure will receive the same wages and treatment as the regular employees. But, transfer from one firm to another will be prohibited, and no overseas travel or matriculation will be allowed in principle.

Exempts from the draft are not allowed to join trade unions. Joining a trade union during their obligatory employment period will be an immediate cause for dismissal; and once dismissed, the period they have worked will be nullified and they will be called up for defense service.

Of the people awaiting defense call-ups, those who are originally scheduled to enter military service in September or thereafter can take advantage of the extraordinary measure beginning this year. Once the OMMA branches in their areas confirm the firms which will be designated as qualified ones to receive the military manpower surplus under the extraordinary measure in the future, all that the applicants have to do is sign contracts with the firms they choose and notify the OMMA.

*** Easing of Shortage Seen**

912C0231B Seoul CHUNGANG ILBO in Korean
7 May 91 p 2

[Unattributed article: "Five-Year Service in Industries in Place of National Defense To Begin in September"]

[Text] The government has adopted the "measure for augmenting vocational technical manpower in enterprises" under which it will select between 10,000 and 15,000 persons annually from among the people awaiting defense call-ups and assign them to specific industries to work for five years. At the end of this period, they will be regarded as having completed their military service. This new measure will go into effect in September.

According to this measure, which was announced by the EPB [Economic Planning Board] on 6 May after consultations with other ministries and agencies concerned, between 10,000 and 15,000 applicants will be selected annually from among those awaiting defense call-ups and will be placed in specific enterprises, where they will undergo vocational training to receive a license at least as an assistant technician and continue to work for a period of five years (the training period included). At the end of five years of uninterrupted employment, they will be regarded as having fulfilled their military service.

Those awaiting defense call-ups who wish to work in an industrial establishment under the new measures which will go into effect in September have to file an application with the OMMA branch offices in their respective areas at least five days prior to their scheduled date of enlistment. Upon entering the industrial establishments of their own choosing, they will undergo six months or more of training (three months or more in specific industries such as the construction industry), not counting four weeks of military training. Only when they obtain this qualification will they be allowed to continue to work in the firms in which they are employed.

These people, as is the case with those who are currently working in defense industries as an exception to regular military service, will receive the same pay as the regular employees.

In the past, there have been occasional troubles due to the absence in the existing laws of a clear stipulation as to whether or not people working in a defense establishment in lieu of military service are allowed to join a trade union. In view of this, the government has decided to include in the regulations for the enforcement of the "Law on Special Exceptions to Obligatory Military Service" a separate provision banning draft-exempts from joining trade unions during the required period of employment.

Those desiring to work in industrial establishments are free to choose the enterprises in which they want to work and the skills they want to acquire from the list of the

firms and the categories of skills the Council for Examination of Special Exceptions to Military Service will additionally select in the future. For those who fail to pass the qualification tests, the government plans to give them an additional year to make a second try.

With the upper limit on the number of draft-exempts working in industrial establishments set at 15,000 per year, the government will set the upper limit for each enterprise and have it accept the applicants within this limit. When the number of applicants exceeds the upper limit, they will be accepted in order of application.

The government expects that this plan for the utilization of military manpower resources will be of great help in easing the acute industrial manpower shortage, which numbered 192,000 last year alone.

*** Propriety Questioned**

912C0231C Seoul CHOSON ILBO in Korean
8 May 91 p 3

[Editorial: "The Question of Utilizing Would-Be Defense Service Draftees"]

[Text] The government decision to divert between 10,000 and 15,000 of the surplus defense service manpower resources to industries beginning in September appears at first glance to be a plausible measure. In the past, after the number of people necessary for active and defense services were selected through physical examinations for conscription, there was always a surplus of more than 20,000 each year. If these people in the surplus are not drafted within three years of the physical examination for conscription, they will be automatically exempted from military service.

If this condition were to be allowed to drag on, it would go against the principle of universal conscription and be apt to render meaningless the citizens' duty to defend the country as stipulated in the constitution. As a matter of fact, there is a rumor that when some of the inhabitants in the upper-class residential areas in Seoul get a draft notice, they ask, "do people still have to be drafted to active service?" There seem to be signs indicating that conscription into active or reservist service or exemptions from military service are decided not by physical standards, but by one's social status, his financial power, or the pull he has.

Of course, it may be difficult to pinpoint proof of such "rumors" or "signs." But talk of such rumors and signs in itself indicates that inequity or imbalance with regard to military service exists under the surface. Needless to say, that is nothing new. There were numerous exempts from military service and numerous draft dodgers during the Korean war; and records show that during Hideyoshi's 1592 invasion of Korea, there were over 200,000 people available for military service on family registers, but only 7,000 of them were actually made available for the draft.

It seems that today, as in the past, some of our citizens are not true to the duty to defend the country and the principle of universal conscription as stipulated in the constitution. Under various exemption provisions, diverse technicians, specialists, and employees of special enterprises are exempt from military service; and this in itself gives the impression that military service is drudgery, and that an exemption from it is something joyful and fortunate.

At first glance, it seems plausible that the government has weighed the question of whether the idle surplus military manpower resources should be kept idle or diverted to industries. But not all that is plausible or expedient can be justified. Under the new measure, the government will select only a certain number of applicants from among would-be defense service draftees to place them in specified enterprises to work as their employees for five years drawing the same pay as the regular employees. At the end of the five-year period of employment, they will be regarded as "having completed their military service." This measure seems expedient, but we wonder whether the government has pondered all problems attendant upon it.

First, there are these questions: What to do about problems concerning the conflict that is expected to arise between existing regular employees and draft-exempt workers due to the ban on the latter's joining trade unions; whether or not the Labor Standards Law is to be applied to the draft-exempted workers, and how to handle those who desert their place of employment.

Second, what is the status of draft-exempted workers? Are they civilians or soldiers? Problems will become all the more complex if the government fails to provide clear answers to these questions as the matter of a constitutional and institutional issue and is only given to expediency. The government claims that the new measure will fill the manpower shortage with exempts from the defense service draft. But, is there really a manpower shortage in our country? While there are idle workers who shun toilsome, dirty, and dangerous jobs, it just does not sit right to fill these jobs with exempts from the draft to defense service. This measure may be expedient, but it seems that more thought should be given to the theoretical and legal aspects of the matter.

*** Abuses Feared**

912C0231D Seoul TONG-A ILBO in Korean
9 May 91 p 2

[Editorial: "Be Cautious About Using Military Manpower in Industrial Sites"]

[Text] We must always stand by principles. In every task, even if its goal is appropriate and there is some urgent need for it, we should not push ahead with it as long as the method used goes against the principle. This thought came to mind as this editorial writer was reading the news about Prime Minister No Chae-pong's 7 May "instruction that the Ministries of National Defense and

National Construction and other concerned ministries and agencies actively study the feasibility of using the army engineer corps in order to expedite the completion date for the expansion project of the Seoul-Inchon Expressway, which is beset with extreme traffic congestion."

When we consider the theme of expanding the Seoul-Inchon Expressway alone, the prime minister's instruction seems appropriate. The Seoul-Inchon Expressway, which links Incheon, the number two export-import port, to the industrial center of the capital zone, is so clogged with traffic that it has earned the nickname of low-speed highway. The traffic congestion is compounded by the ongoing expansion project. That is why an early completion of the expansion project is urgently needed.

In terms of efficiency in construction, the engineer corps of our army is outstanding. It is an excellent outfit which has not only accumulated a high level of experience in highly technical construction as demonstrated by its construction of an expressway through the rugged Hangye pass but also possesses a high mobility and operational capability peculiar to the military. If this outstanding outfit is used on the Seoul-Inchon Expressway expansion project, no doubt it would simultaneously meet the practical need for an early completion of the expansion project on the one hand, and on the other, the necessity of utilizing the manpower we have as a nation to the fullest.

Nevertheless, principles must be observed as principles. Obligatory military service is a duty of our citizens stipulated in the constitution. It is because of the sacred and inviolable mission of defending the territory of the country that each citizen is obligated to serve in the army in accordance with the provisions of the constitution. This is to say that the citizenry accepts obligatory military service because the duty to defend the country is sacred. The work of the army which is made up of people conscripted for defense duty should be limited to tasks to defend the country. We should keep in mind that otherwise the inviolability of obligatory military service will diminish.

It goes without saying that the military can help civilians. The military can assist in civilian tasks on a limited-time basis only when the methods used do not infringe upon the liberties and rights of the people, only when the military has enough manpower to cope with any contingency, only when a dangerous natural disaster exists. Even in these cases, an emergency of the kind that would exist in wartime should exist as a precondition for the use of the military in civilian undertakings.

The cross-country railway in the United States built by the U.S. Army Corps of Engineers serves as a precedent. If one stretches his logic by citing this and other precedents and by referring to the fact that all roads could be used for military purposes in wartime, he may make a logical jump and reach the conclusion that all materials

could be used for military purposes in wartime; therefore, military manpower can also be used in any private enterprise.

The duty to defend the country and obligatory military service are inviolable. It is hoped that the government will keep in mind that using these inviolable duties for expediencies and in an arbitrary manner will greatly undermine the inviolability of these duties.

*** Advantages Cited**

912C0231E Seoul MAEIL KYONGJE SINMUN
in Korean 8 May 91 p 2

[Editorial: "Utilization of the Military Manpower Resources"]

[Text] At a time when there is an acute manpower shortage in industries, the government has adopted a measure to use part of the would-be defense service draftees as industrial technicians.

To put it simply, this is a measure to divert military manpower resources to industries for the sake of expediency. Nevertheless, we like to interpret this as an unavoidable stop-gap measure. Creating exemptions to obligatory military service can be far from ordinary and cannot be desirable either. But, in view of the acuteness of the industrial manpower shortage, we are prone to take it as an unavoidable policy option.

When the new measure goes into effect in September, more than 10,000 technical personnel will be supplied to private enterprises each year.

It is impossible to end the current manpower shortage in the manufacturing sector with only this level of manpower supply. They say this level of additional manpower supply will fill only about 10 percent of the manpower needs.

Yet, we believe that the hard-pressed industries will have no alternative but to welcome the new measure.

Only those would-be draftees who desire to work in industries in lieu of defense service will be employed by private enterprises. Accepted applicants are required to receive four weeks of military training and six months of vocational training to obtain specific qualifications.

Once they sign an employment contract, they will receive the same treatment as the existing regular employees, but they are required to continue to work for five years. If they work for five years in the building, steel, and machine industries which are beset by a more acute

manpower shortage, it will be of great help to these industries in securing stable operations.

But we believe that it is necessary to clarify some preconditions and get some assurances in this connection.

First, a diversion of the surplus military manpower resources to industries may prove effective, but we should keep in mind that this is an exception. An exception is attended by the assumption that it will be lifted someday.

Second, enterprises employing draft-exempts should keep in mind that the work of these exempts is a substitute for their obligatory military service.

This is to say that the extraordinary measure is not aimed at protecting the interests of private enterprises. This therefore obligates private enterprises to improve their serviceability for the good of the public and society as responsible business entities.

Third, the best use should be made of the purport of permitting the employment of draft-exempts mainly in the manufacturing sector, to the exclusion of service industries. The adoption of the extraordinary measure at a time when measures to improve the competitiveness of manufacturing industries are being pushed may signify that the focus of public support is being directed toward the manufacturing sector.

Businessmen are duty bound to respond to this convergence of support by developing dynamic manufacturing industries having high international competitiveness.

At the same time, despite the new measure to use draft-exempts in industries, there is need to continue to develop employment measures designed to relieve the current industrial manpower shortage. Import of labor from third countries cannot be studied as a practical option; and labor conservancy through automation not only has its limitations but also is attended by numerous side-effects.

For this reason, it has been suggested that idle manpower, such as women and retirees, be used. Despite this and other suggestions, the manpower shortage on industrial sites is growing ever more acute.

It is necessary, therefore, to work out measures designed to establish employment ethics, while emphasizing the importance of occupational ethics, and do our best to prevent people from shunning work and also to prevent workers from quitting their jobs.

Burma**Communique Hails Cambodia's National Council**

*BK3107144491 Rangoon Burma Television Network
in Burmese 1330 GMT 31 Jul 91*

[Text] The Ministry of Foreign Affairs issued a communique today. It reads: The Union of Myanmar [Burma] has for many years been a cordial friend of Cambodia, and it has therefore been an unfailing supporter of all efforts aimed at finding a peaceful and lasting solution to the Cambodian problem.

The Union of Myanmar Government thereby welcomes the successful establishment of the Supreme National Council of Cambodia as well as the efforts being made to realize the objectives of that Council.

Myanmar has faithfully discharged, and will continue to carry out its international duties that are aimed at bringing about an end to the warring conflicts and establishing peace, stability, and development in this region.

More Nationals Sent Back by Thai Authorities

*BK2707153091 Rangoon Radio Burma in Burmese
1330 GMT 27 Jul 91*

[Text] A total of 160 Myanmar [Burmese] nationals, including 117 males, 41 females, and two babies, who had illegally entered and stayed in Thailand, were sent back to Kawthaung, Myanmar [Burma], via Ranong, Thailand, on 25 July. They were sent back under the arrangement of the township level Thai Border Committee after making contacts with Kawthaung Township Law and Order Restoration Council.

Groups of officials from the township Immigration and Manpower Department [IMPD], the People's Police Force, the Armed Forces, and departmental personnel concerned conducted preliminary investigations of those who were sent back. A special IMPD task force also carried out thorough investigations and actions had been taken against them under the Myanmar Immigration Law.

Under a special program, the Health Department is testing the blood of all those who returned to see whether they are AIDS carriers.

Detailed investigations from various organizations reveal that the returnees entered Thailand illegally to reside there and were not abscondee from law or have links with insurgents. They were doing odd jobs, or were jobless or vagrants in Thailand.

Cambodia**Phnom Penh Fears U.S. 'Could Impede' Peace**

*BK01080810 Hong Kong AFP in English 0747 GMT
01 Jul 91*

[Text] Hanoi, Aug 1 (AFP)—Phnom Penh fears that the United States could impede Cambodian peace efforts by insisting that a United Nations peace plan be followed to the letter, Phnom Penh's ambassador to Hanoi said.

"If the Americans oblige us to accept this document, that will block a solution," said Uch Borit. "If the Khmer want to advance step by step, they must be allowed to do it."

Though Phnom Penh has officially accepted the peace plan drafted by the U.N. Security Council's five permanent members, it objects to some aspects—notably a call to dismantle its administration and Army.

The four warring factions sidestepped their differences on the U.N. Plan in July when they met in Beijing and agreed to name resistance leader Prince Norodom Sihanouk as head of the Supreme National Council (SNC), which represents Cambodian sovereignty.

The previous month in Phatthaya, Thailand, the factions agreed to a permanent ceasefire, a moratorium on overseas arms supplies and to open an SNC headquarters in Phnom Penh in November.

Uch Borit said in a recent interview here the United States appeared uncomfortable with the new direction taken by the Cambodian peace process since June.

The progress has been widely linked to improved relations between China and Vietnam, the main backers of the warring sides, and some analysts say the United States fears a "red solution" that would largely exclude the West.

"Our wish is that the Americans contribute to pushing the process—which is already under way—to reach a comprehensive solution," the Cambodian envoy said.

Following the Beijing meeting, U.S. Secretary of State James Baker welcomed the agreement but warned against accepting "partial solutions."

He stressed that the "final goal" of the United Nations peace plan was "affording the Cambodian people the opportunity to choose their own government by means of free and fair elections under U.N. supervision."

Baker's remarks appeared to reflect U.S. concern that the SNC headquarters in Phnom Penh could evolve into a de-facto government, and the free elections called for in the United Nations plan would never materialize.

Uch Borit insisted that Phnom Penh was still committed to working for free elections on the basis of the U.N. plan, but he stressed that the Cambodian factions had the right to decide any changes.

"We don't want something that's unrealistic," he said.
"We need something that's going to bring peace."

"If the Americans insist that we accept this document it's a violation of our sovereignty."

The document calls for the United Nations to play a major role in administering Cambodia until free elections can be completed.

Uch Borit did not specify how the United States, which backs the two non-communist resistance factions allied to the more powerful Marxist Khmer rouge, could impede the peace process.

China is the main backer of the Khmer Rouge, while Vietnam installed the Phnom Penh government in 1979 after invading Cambodia and ousting a Khmer Rouge regime that was blamed for hundreds of thousands of deaths during its nearly four-year rule.

Sihanouk Urges All Sides To Observe Cease-Fire

BK0108045691 Hong Kong AFP in English 0428 GMT 01 Jul 91

[Text] Bangkok, Aug 1 (AFP)—Prince Norodom Sihanouk has urged all Cambodian factions to strictly adhere to a truce following reports of attacks by Phnom Penh government forces on guerrilla positions. The prince said in a statement, issued in the North Korean capital Pyongyang where he is currently based and also released here, that he was seriously concerned about the reports of ceasefire violations.

An official of the guerrilla group loyal to Prince Sihanouk's son, Prince Norodom Ranariddh, said Phnom Penh government forces had attacked their positions in several areas in the northwestern provinces of Banteay Meanchey and Siem Reap and in the central province of Kompong Thom.

Prince Ranariddh's forces together with forces of the non-communist Khmer People's National Liberation Front (KPNLF) and the Khmer Rouge have been fighting the Vietnamese-backed Phnom Penh government for the last 12 years.

The four factions agreed at a breakthrough meeting in the Thai seaside resort of Phatthaya in late June to extend indefinitely a May 1 truce. Since then all sides have reported ceasefire violations by their adversaries but the guerrillas and well-informed sources monitoring Cambodia say that the fighting is not as heavy as it was before the ceasefire.

The KPNLF reported last week that Phnom Penh forces attacked their positions in the Thmar Puok area near the Thai border. KPNLF military official Ok Serei Sopheak said the attacks were not a major offensive and Phnom Penh forces appeared to be testing guerrilla lines. No KPNLF soldiers were killed in the attacks, he said.

Phnom Penh rejected the accusation and made counter charges that the KPNLF and the Khmer Rouge had attacked Phnom Penh government positions in a number of different areas.

Tie Banh Expresses Gratitude to Combatants

BK3107121991 Phnom Penh SPK in English 1107 GMT 31 Jul 91

[Text] Phnom Penh SPK July 31—Defense Minister Tie Banh has expressed profound gratitude to all combatants, war invalids and families of the fallen combatants for the enormous and noble sacrifices they have made in national defense.

In a message to all combatants, war invalids, hospitalized soldiers and families of the fallen combatants on the War Dead and Invalids Day of Cambodia, Tie Banh highly appraised the patriotic spirit of the entire Cambodian Army and people in the struggle to oust the genocidal regime of Pol Pot in 1979 and the growth and capability of the Cambodian Army in defending the revolutionary gains over the past 12 years, especially since the total withdrawal of Vietnamese troops from the country.

The party, state and people will forever be grateful to the entire army for its unforgettable, enormous sacrifices for the peaceful life of the people, Tie Banh said.

He also welcomed the results of the meeting of the Supreme National Council of Cambodia in Phatthaya, in which all the Khmer warring factions agreed to enforce an unlimited cease-fire and to stop receiving foreign arms supplies.

He called upon all countries concerned to stop shipping arms to all Khmer warring factions and all the Khmer factions to strictly observe the unlimited cease-fire.

However, the coalition factions, especially the Khmer Rouge, does not intend to solve the Cambodian issue by political means, Tie Banh said adding that they have continued shelling and looting the people.

On behalf of the party, state and Ministry of National Defense, Tie Banh said, I would like to express my best wishes to all combatants and families of the fallen soldiers, and wish all hospitalized soldiers quick recovery.

Defense Minister Greets SRV Counterpart

BK0108064391 Phnom Penh SPK in English 0430 GMT 1 Aug 91

[Text] Phnom Penh SPK August 1—Defence Minister Tie Banh has sent a message of greetings to his Vietnamese counterpart Le Duc Anh on the 44th War Dead and Invalids Day of Vietnam.

In his message, Defence Minister Tie Banh conveyed his kindest regards to all soldiers and families of the fallen

combatants and war invalids in Vietnam who had made great sacrifices for the revolutionary causes of Cambodia and Vietnam.

He profoundly thanked the party, Government, people and Army of Vietnam for having saved the Cambodian people from the genocidal regime of Pol Pot and for their assistance to Cambodia's national construction and defence over the past 12 years.

Defence Minister Tie Banh wished his Vietnamese counterpart the best of health and success in his noble task.

Phnom Penh Marks Cuba's Mongada Anniversary Day

*BK3107121591 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 0430 GMT
31 Jul 91*

[Summary] The party committee and the people's committee in Phnom Penh, in conjunction with the Cuban Embassy, organized on the morning of 30 July a meeting at the Phnom Penh electricity company office to mark the 38th anniversary of Cuba's Mongada Barracks attack.

"Present in the Presidium meeting on the Cambodian side were Comrade Sim Ka, alternate member of the party Central Committee Political Bureau and secretary of the Phnom Penh party committee; Comrade Min Khin, chef de cabinet of the Kampuchean United Front for National Construction and Defense National Council; Comrade Prach Sun, vice chairman of the Foreign Relations Commission of the Kampuchean People's Revolutionary Party Central Committee; Comrade Tok Ti, chief of the Foreign Ministry's Consulate Department and president of the Cambodia-Cuban Friendship Association; and Comrade Ek Sunchan, president of the Phnom Penh Electricity Company, as well as several cadres and staff of the Phnom Penh Electricity Company. On the Cuban side, (Eduardez Edief), the acting charge d'affairs from the Cuban Embassy in Phnom Penh was present."

After observing the national anthems of Cambodia and Cuba and after paying respect to cadres and combatants who have sacrificed their lives to the cause of national defense and construction, Sim Ka presented the following speech:

[Begin recording] I wish to praise the heroic Cuban people for having valiantly launched offensives on the Mongada barracks, achieving on 26 July 1953, the victory over the dictatorial regime serving the colonialists and imperialists.

For the Cambodian problem, as always, the State of Cambodia's party and Government have the goodwill to achieve a peaceful and just solution for ending the tragedy on the Cambodian soil. This has been substantiated by a great many concessions made by the State of Cambodia to the other side. At the recent meetings in Thailand and the PRC, the Cambodian Supreme

National Council [SNC] achieved vitally important agreements to settle the Cambodian problem. This is thanks to the five permanent members of the UN Security Council [UNSC], the Paris international conference cochairmen, and other countries which have assisted in the Cambodian peace process. I also wish to thank the Cuban party and Government for their unrelenting support for the State of Cambodia's correct stance to settle the Cambodian problem, and I pledge that "we will continue our endeavor to achieve an overall political solution to the Cambodian problem to restore lasting peace and stability to the Cambodian people."

I extol the Cuban party and Government for their firm and resolved stance in rebuilding the country along the socialist path. "We wish to express our sincere solidarity with the brotherly Cuban people in their struggle to oppose every threat of the U.S. imperialists against the tranquility of the Cuban people and against peace in this region and the world."

Taking this opportunity, on behalf of the Cambodian party, Government, and people, we wish to again express our gratitude to the Cuban party, Government, and people for their moral and material assistance and support to the cause of the just struggle carried on by the Cambodian people. We firmly believe that the fraternal relations of solidarity and friendship and cooperation between the parties, governments, and peoples of our two countries will further strengthen and expand for the cause of peace, democracy, and social prosperity. [end recording]

SPK Reports Enemy Cease-Fire Violations

*BK0108060191 Phnom Penh SPK in English
0434 GMT 1 Aug 91*

[Text] Phnom Penh SPK August 1—The Defence Ministry of the State of Cambodia issued here on July 30 a communique condemning the Khmer opposition factions' violations of the unlimited cease-fire which they pledged to observe as from June 25, the day following the Phatthaya meeting.

"Troops of Son Sann faction fired at 6 A.M. (local time) on July 23, eight shells of a H-107 recoilless gun into an area 1 km south of Svay Chek, Banteay Meanchey Province. At 7 A.M. the following day, the enemy troops fired dozens of shells of DK-75mm, 122D-30 and 85mm recoilless and artillery guns into government positions in Tapho, Tadong Hill and Height 124.

"On July 24, the enemy troops fired 200-300 shells of artillery on government positions. That day, troops of Son Sann faction fired at 9 A.M. two (?B-40) rocket launcher shells on an area 13 km east of Stoung District, Kompong Thom Province, burning down two dwelling houses.

"The enemy infantry troops with artillery support launched on July 25 an offensive against the government

forces in Yieng Veng, Mornh, Anteak and Tapho villages, 14, 15, 11 and 8 km respectively east of Svay Chek and Height 124. That day the opposition troops fired at 10.45 a.m. several shells of 122D-30 and DK-75mm recoilless and 120-mm artillery guns on an area 12 km southwest of Samraong, Siem Reap Province.

"On July 26, the Pol Pot and Son Sann factions sent 18 truckloads of troops together with armoured vehicles and artillery and recoilless guns into attacks on government positions in area 12-15 km east of Svay Chek".

The communique said the above-mentioned moves showed that the Khmer opposition factions were fanning up tension with the aim of obstructing the process of political settlement of the Cambodian problem now in progress.

Truce Violations by Heng Samrin Forces Reported

BK0108073891 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 1 Aug 91

[Text] The Voice of the Khmer newsroom has received a report saying that the Vietnamese-Heng Samrin forces have launched attacks on many positions belonging to the independent Cambodia Army. This is a violation of the cease-fire agreement reached recently by the four Cambodian factions.

In this cease-fire violation, about 900 Vietnamese-Heng Samrin forces attacked many positions in the north-western part of Oddar Meanchey Province under the control of independent Cambodia's Army led by Prince Norodom Ranariddh.

According to the report, in these attacks, the Army of independent Cambodia lost some positions and captured six Vietnamese-Heng Samrin soldiers.

The report added that the Vietnamese-Heng Samrin forces also attacked various positions near Thmar Puok District under the control of the Khmer People's Liberation Armed Forces. Other attacks also took place in Siem Reap and Kompong Thom Provinces.

The report also said that since the signing of the cease-fire agreement, the Vietnamese-Heng Samrin forces has launched 15 attacks against independent Cambodia's Army.

It has not been confirmed whether these attacks were launched on the orders of the high-ranking leaders in Phnom Penh or carried out by the local commanders.

VOK: Changes To Peace Plan 'Unacceptable'

BK0108090491 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 1 Aug 91

["Political commentary": "The Last Obstacle To Peace in Cambodia"]

[Text] Following the meeting in Beijing, the process to solve the Cambodian problem has made another step

forward: All parties, including that of Hun Sen, elected Samdech Norodom Sihanouk as chairman of Cambodia's Supreme National Council [SNC]. This result is one of the major steps toward reconciling the Cambodian nation and toward unity and peace in Cambodia.

After the agreement in Beijing, there was an agreement between Samdech Norodom Sihanouk and the Hun Sen side to establish the Commission to Search for National Construction Aid chaired by Samdech Norodom Sihanouk. Afterward, a similar commission also chaired by Samdech Norodom Sihanouk was set up by the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia.

We realize that a solution to the Cambodian problem should move another step forward, towards the final one, the signing of documents to accept and properly implement the peace plan of the UN Security Council [UNSC] five permanent members. Toward the end of August, the SNC will hold an official meeting in Bangkok to discuss the major powers' peace plan. If all four Cambodian parties adopt and accept the peace plan, the last obstacle to solving the Cambodian problem will be overcome. This would pave the way for the convening of the Paris International Conference on Cambodia and the signing of the UN peace plan worked out by the UNSC five permanent members for Cambodia.

However, the most important issue is whether the SNC will adopt the draft agreement of this peace plan at the end of August in Bangkok. Is there an obstacle to this ratification? Both the 28 August framework document and the 26 November draft agreement have already been accepted by the three Cambodian parties in the Cambodian resistance movement.

The obstacle is Hun Sen's demand to alter a number of major points in the peace plan. We clearly see that the Hun Sen side's intention in demanding these changes is not because this side is afraid of the Khmer Rouge or the United Nations' violation of Cambodia's sovereignty. The Hun Sen group wants to maintain the regime and power propped up by Vietnam, the same power required by the peace plan to be handed over to the United Nations during the transitional period. This desire runs counter to the most important goal of the peace plan, namely the right to self-determination of the Cambodian people. This is the basis for ensuring Cambodia's independence, sovereignty, and peace.

If these changes negate such an important point, we can see that the Hun Sen side's demand is definitely unacceptable to the Cambodian (?resistance) because this will (?affect) the Cambodian motherland and generations of Cambodian children. We have seen that the Hun Sen side's procrastination in giving up the power of the regime propped up by Vietnam is the cause of failure of every meeting to solve the Cambodian problem. Thus, the Bangkok meeting's success or failure in Bangkok depends on the Hun Sen's position.

At this point, we dare not conclude that the Hun Sen group wants to cling to power or to hand it over to the United Nations. We will see this in the future. However, we believe that if the Hun Sen genuinely wants peace, he should be willing to let the United Nations administer Cambodia in accordance with the five major powers' peace plan. Some modalities for implementation of this plan can be modified where all sides realize that additions should be made to ensure proper implementation. However, changes concerning the Cambodian people's right to self-determination—which is the basis for restoring national independence—making this point ineffective, certainly cannot be done.

We think that the Hun Sen group clearly knows that this demand will be considered as something serving Vietnam's interests and betraying independence and peace that the world and the Cambodian people want to see restored.

VONADK—Demonstrations Staged in Battambang

BK0108035091 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 31 Jul 91

[Excerpt] On 20 and 21 July, people in Battambang and its suburbs, including peasants and workers in the city and over 3,000 civil servants of Battambang town administration, demonstrated against the Vietnamese-Heng Samrin administration in the city.

Some marched toward the provincial office and others met at the Vietnamese office at the head of the new concrete bridge. More people assembled at the city's market and protested against the Vietnamese-Heng Samrin administration over worsening living conditions due to the steady devaluation of the riel currency and the exorbitant rice price.

For people around Battambang town and families of people forced to serve the Vietnamese, last month their family budget could buy rice for half a month; for the other half of the month, people have to do other things to feed their families. Since June 1991, the family budget has been enough for only five days of rice purchases; even with supplementary income from other activities, people cannot buy rice to last for 15 days. On average, a family goes without rice for 15 days in a month.

In the initial stage, the people staged demonstrations against the Vietnamese-Heng Samrin administration. Later on, Vietnamese troops led Heng Samrin soldiers and policemen to disperse the people's demonstrations. However, people still carried on their protests. Then, Vietnamese soldiers led the Heng Samrin troops and police to fire into the air to threaten the crowd. The people then grabbed charcoal, firewood, bamboo sticks, and poles found in the market and threw them at the Vietnamese troops, Heng Samrin soldiers and policemen, and shouted: "We are starving; there is no rice. We will all die in a month or two. Please bring down rice prices. All the relief rice has been taken by the

Vietnamese troops, Heng Samrin soldiers and policemen. We are left starving. We cannot take this."

Apart from the demonstrators, thousands of people, monks, and children watched and joined in the demonstrations over the currency devaluation. On 20 July, Vietnamese troops, Heng Samrin soldiers and policemen fired on and dispersed the people.

On 21 July, the same thing happened again. Vietnamese troops, Heng Samrin soldiers and policemen fired into the air; others fired on the people, wounding some. The people were angry and grabbed pieces of earth, stones, knives, carrying poles, and brooms—whatever they could lay their hands on in the market—and threw them at the Vietnamese troops, Heng Samrin soldiers and policemen, wounding some of them.

Since 21 July, Vietnamese troops, Heng Samrin soldiers and policemen have beefed up their forces and patrolled various roads in Battambang. Stringent searches have been carried out on the people. A gathering of a few people walking together would be immediately dispersed.

[pasasage omitted]

Laos

Friendship Delegation Visits Cambodia 19-26 Jul

BK3107142291 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 31 Jul 91

[Text] At the invitation of the Cambodia-Laos Friendship Association, the Laos-Cambodia Friendship Association led by Khamphan Vilachit, vice chairman of the Social Science Institute and member of the Laos-Cambodia friendship association committee, paid a visit to Cambodia from 19 to 26 July.

During its stay in Cambodia, the delegation held a meeting with its Cambodian counterpart to exchange experience. Especially, the two sides touched on the strengthening of the time-honored Lao-Cambodian relations of friendship which have existed since ancient times. The two sides reaffirmed that Laos and Cambodia are sincere toward each other and have never encroached on each other's interests and that the Lao and Cambodian peoples have consistently shared weal and woe together and fought against many common enemies. The friendship associations of the two countries unanimously pledged to preserve and strengthen the solidarity between the Lao and Cambodian nations, thus making it last forever. No enemy would ever be allowed to undermine the solidarity between the Lao and Cambodian peoples.

During its visit to the State of Cambodia, the Lao friendship association delegation also paid a courtesy call on Chea Sim, Political Bureau member of the Kampuchean People's Revolutionary Party Central Committee and chairman of the National Assembly of

the State of Cambodia, and visited a number of production bases in Kandal and Takeo Provinces.

Refugee Repatriation Meeting With Thailand

BK3007160391 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 30 Jul 91

[Text] Today the Foreign Affairs Ministry held a press briefing on the outcome of the consultative meeting held in Luang Prabang Province late June between the representatives of Laos, Thailand, and the United Nations High Commission for Refugees [UNHCR] on the welcoming of Lao refugees repatriated from Thailand.

At the meeting the three sides reached an important agreement which said that the Lao, Thai, and UNHCR sides will continue their cooperation in repatriating Lao refugees in Thailand to the Lao People's Democratic Republic [LPDR]. The Lao side reiterated the humanitarian policy of the LPDR Government in welcoming back to the country Lao refugees residing abroad who voluntarily want to come home and in granting amnesty to such misled persons. The Thai side reiterated the policy of the Thai Government in wanting to repatriate all Lao refugees taking temporary refuge in Thailand and in rendering cooperation to all parties concerned in repatriating Lao refugees back to Laos or in settling them in any third countries.

The two sides are of the view that the repatriation under this program must be based on the principle of willingness and noncoercion. The Lao side noted that the centers for receiving repatriated Lao refugees are inadequate. Therefore, it wants more centers to be set up in each area as needed.

The three parties—Laos, Thailand, and the UNHCR—unanimously agreed that the refugees' intention to settle down in a third country constitutes one of the obstacles to increasing the number of Lao refugees willing to come back to Laos. They were also of the view that more effective measures should be implemented in dealing with the repatriated refugees, such as in giving them assistance, improving the organization of their repatriation, and preparing welcoming centers. The three sides agreed to increase the efficiency of these measures. The Lao side is willing to accept aid from any international or nongovernmental organizations and from any countries wishing to contribute funds for the development of the areas where the repatriated Lao refugees are being settled. At the same time, Laos also reiterates that it has no policy of separating the so-called illegal immigrants from those refugees who are willing to return to the LPDR.

The three parties regard the joint program of action reached at the meeting as a reference document for cooperation with one another, aimed at ensuring the well-being of the repatriated refugees in the next 2 or 3 years. The UNHCR is authorized to act as coordinator in following up the implementation of this program on the basis of flexibility. The three sides unanimously

agreed that in order to promote the Lao refugee repatriation program in parallel with implementation of the [word indistinct] plan, public relations work is extremely important. For example, the Lao side is willing, as needed, to allow (?representatives) of those Lao refugees who are willing to be repatriated to visit the sites of their resettlement in their own provinces or the other provinces in Laos and to allow Thai and UNHCR authorities to visit those Lao refugees who have already been repatriated.

The Thai side is willing to allow Lao authorities to pay visits to any (?Lao refugee holding) centers in Thailand to inspect the living conditions there. All this is aimed at persuading more Lao refugees to return home.

The three sides agreed that in order to implement the agreement reached at this meeting, it is appropriate that a (?fifth) meeting be held in Thailand.

Article Hails Lao-Thai Trade Cooperation

BK0108075591 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Aug 91

[Undated PASASON article: "Thailand's Nakhon Phanom Province Grants Trade Privileges to Khammouane Province"]

[Text] The relations between Khammouane Province and Nakhon Phanom Province of the Kingdom of Thailand is at present quite favorable. The two provinces are cooperating in trade, economic, and other different areas. The last consultative meeting between the delegation of Khammouane Province headed by Inpong Khaingavong, chairman of the Khammouane Provincial Administrative Committee, and the delegation of Nakhon Phanom Province headed by Major Prida Nisachareon, governor of the Thai province, was held at the provincial seat of Nakhon Phanom Province in mid-July. The meeting was attended by officials from agencies concerned of the two provinces.

The first meeting was held at the International Hotel in Khammouane Province in February. The topics of discussion during that meeting were aimed at paving the way for signing a memorandum on bilateral issues such as the differences in the boat fares and landing fees collected by both sides. The official rate for boat fares set by Khammouane Province is 25 baht while the Nakhon Phanom side charges 35 baht plus a 10 baht landing fee. The Nakhon Phanom governor told the meeting that his delegation was unaware of the problem, which he attributed to the Thai private sector. However, the chairman of the Khammouane Provincial Administrative Committee suggested that technical officials of the two provinces should sign a memorandum on actions to be jointly taken to solve all existing problems.

During the second meeting at the Nakhon Phanom Hotel in late April, the two sides reviewed past developments and discussed other issues concerning economic and security cooperation. The delegation from Khammouane

proposed setting up a joint coordination committee to deal with problems that may arise between the two provinces. The proposal was put forth in line with the agreement reached earlier between the Governments of the Lao People's Democratic Republic [LPDR] and the Kingdom of Thailand on the establishment of the Lao-Thai cooperation committees at the national and local levels and the joint communique issued by the foreign ministers of the LPDR and the Kingdom of Thailand on 9 May on bilateral cooperation in economic development, trade, investment, tourism, and technologies.

The memorandum, signed after the three consultative meetings between the delegations of the two provinces, deals with cooperation in the four major areas, namely trade and economic development, security for both sides, transportation of goods in transit by trucks, and general problems. Inpong Khai-gnavong and Major Prida Nisaicharn signed the memorandum for Khammouane and Nakhon Phanom Provinces respectively.

Moreover, Nakhon Phanom Province will also implement an additional policy of granting trade privileges to Khammouane Province. Apart from the improvement of relations between the two provinces, the implementation of the memorandum will also significantly contribute to the strengthening of relations and cooperation between Laos and Thailand in the new era.

More U.S. Aid Given to Xieng Khouang Province

BK3107111491 Vientiane KPL in English 0902 GMT 31 Jul 91

[Text] Vientiane, July 31 (KPL)—The northern Xieng Khouang Province has since early this year been granted 26.5 million kip worth on humanitarian aid from the U.S. Government through the World Vision Organisation in Laos.

Of the sum, 70.5 million kip have been used for the promotion of employment for the disabled at Khangkhai village and the rest for the construction and renovation of the operation theatre of the provincial hospital which has been satisfactorily fulfilled.

The U.S. Government's total aid grant to Xieng Khouang amounts to U.S. dollars 850,000.

5th Meeting of Indochinese News Leaders Opens

BK3007035891 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 29 Jul 91

[Text] The fifth meeting of directors general of the news agencies of the State of Cambodia, Vietnam, and Laos was opened in Vientiane this morning. The meeting was held to review the implementation of the plan for cooperation among offices of the three news agencies over the past three years following their fourth meeting which was held in Hanoi in 1988. In this meeting, the news agency directors general will review major points of the present world situation and assess their coordination in the information work to set up a basis for the adoption

of a new direction for increasingly effective implementation of relations and cooperation in the coming years.

Somlat Chanthamat, member of the Political Bureau and head of the Propaganda and Training Board of the Lao People's Revolutionary Party Central Committee, who attended the meeting as guest of honor, delivered a speech. He said: The meeting of you, comrades, on this occasion is being held at a time when the world situation is changing in a complex manner and when many fields in each country have undergone great changes. In light of this situation, the cooperation in the information field is considered a significant role. He continued: To create a basis for the studying, assessment, and exchange of views on the cooperation, it is necessary for the participants to firmly grasp the spirit of the party congress of each country, that is, to continue to comprehensively pursue the restructuring cause and fulfill the tasks of defending and building their respective countries. In view of this, the task of exchanging information is considered an important factor for us to achieve success.

Somlat Chanthamat urged the directors general of the three news agencies to combine intelligence on studying various remaining problems on cooperation in the information field and finding better ways and means to settle them to achieve new, appropriate stages of development in cooperation among the three news agencies of Laos, Vietnam, and Cambodia, in conformity with reality and the stages of development in the social and economic field of each country, as well as the stages of development in the technical and scientific field of the world at present.

The meeting will last two days. Also attending as guests of honor were the minister and deputy ministers of information and culture along with the ambassadors of Vietnam and Cambodia to Laos.

Philippines

Reports on Base Treaty, Senate 'Straw Vote'

Aquino 'Hopes' for Approval

HK0108022191 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 31 Jul 91

[Text] President Corazon Aquino expressed the belief and hope that the new bases treaty would be ratified despite strong opposition by the Senate. Foreign Affairs Secretary Raul Manglapus expressed similar hopes by saying that a treaty extending the U.S. military bases in the country will be signed soon, in the next few days. These were the reactions of the president and Secretary Manglapus on the result of a straw vote by the Senate in which 12 senators vehemently opposed the ratification of the new treaty.

Yesterday, a straw vote was held by the upper house of Congress and the initial 12 senators who opposed the treaty increased by four more, making a total of 16

senators, equivalent to two-thirds of the Senate. However, Executive Secretary Franklin Drilon said the president is still hoping that the senators will approve the new bases treaty.

Manglapus Downplays Rejection

*HK0108060991 Hong Kong AFP in English
0555 GMT 1 Aug 91*

[Text] Manila, Aug 1 (AFP) - Foreign Secretary Raul Manglapus on Thursday minimized the Philippine Senate's emphatic rejection of a draft military bases agreement with the United States, saying the crucial vote was yet to come.

In a straw poll Tuesday and Wednesday, 15 of the 23 senators voted against the draft accord reached last month which would extend the current U.S. lease on Subic Naval Base for 10 years from September.

The accord needs at least 16 votes to be ratified by the senate.

Manglapus told a news conference the government was scheduled to "initial a treaty next week," preparatory to the formal signing of the accord by himself and chief U.S. negotiator Richard Armitage.

He described the straw poll findings as "important" but pointed out that the real test would come when the accord was submitted to the Senate for ratification.

"The comparison is I think valid to make that surveys before election time are very good, they're very important and a valuable exercise in democratic discussions, but they do not banner the final results during election day," he said.

He added that if no treaty were ratified by September, Manila would follow the dictates of the Constitution which bans foreign bases on Philippine soil after 1991 unless under a treaty ratified by the Senate.

If that eventuality occurred, a bilateral committee would meet to "prepare for withdrawal procedures" by U.S. forces.

Most senators are opposed to the U.S. compensation level of 203 million dollars a year under the new agreement, less than half the current level, and the length of the agreement. Manila originally offered a seven-year lease worth 825 million dollars a year.

Subic, the main repair and supply facility of the Japan-based U.S. 7th Fleet, is a vital component of the American security arrangement in the Pacific and Indian Ocean regions.

The two governments have also agreed that Clark Air Base, the headquarters of the 13th U.S. Air Force, will revert to Philippine control no later than September next year, after it was devastated by the volcanic eruption of Mount Pinatubo in June.

Signing Foreseen 'Next Week'

*HK0108091491 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 1 Aug 91*

[Text] Representatives from both the Philippines and the United States are set to sign the new draft treaty of the Republic of the Philippines-U.S. Military Bases Agreement next week. This was stated by Foreign Affairs Secretary Raul Manglapus, who heads the Philippine panel negotiating with the U.S. panel headed by special negotiator Richard Armitage. Manglapus said, however, that even if the U.S. Congress does not ratify the new treaty on the military bases, an executive agreement which would possibly replace it would still be considered as a treaty. The measure is in response to the corresponding provision in the Philippine Constitution. Here is part of Secretary Manglapus' explanation:

[Begin Manglapus recording in English, broadcast in progress] ...are now getting resolved. We are looking forward to initialing the treaty next week. The executive agreement idea is a valid idea and an executive agreement is binding to both parties. Under the Constitution, this subject cannot be covered by an executive agreement only. It must be covered by a treaty. [end recording]

Column Urges Treaty Renegotiation

*HK0108073491 Manila THE CHRONICLE in English
1 Aug 91 p 4*

["On The Level" column by Alex Magno: "Prospects for a Treaty Now Dim"]

[Text] The straw vote held during last Tuesday's Senate caucus confirms the dire situation now confronting the draft treaty forged through tortuous negotiations.

Twelve senators—four more than the minimum necessary to block ratification—are sure to vote against the draft treaty. By one estimate, as many as 18 senators will eventually vote against the draft treaty if the ratification process proceeds without both the U.S. and the Aquino administration giving up substantial concessions.

The Senate straw vote delivers the clearest signal to the Palace. It is now for the Aquino presidency to move quickly and salvage the situation.

The immediate task at hand appears to be the avoidance of an outright rejection of the draft treaty by the Senate.

Should the administration insist on forcing the ratification process, and in so doing invite Senate rejection, political positions will solidify and the situation will deteriorate beyond the point of repair. Needless to say, the political damage which outright Senate rejection will cause the administration shall be immense.

The chances for escaping a major diplomatic disaster are rather slim. But the administration has no other option but to go for these.

The situation calls for a last minute play. According to our Constitution, in the absence of a treaty, foreign troops may remain on our soil only until 16 September 1991. This leaves the administration only a little more than a month to finesse the situation and control the damage.

The draft treaty must be quickly withdrawn and renegotiated. In the "snap negotiations," the main points of opposition from the Senate ought to be considered. It will probably be necessary to involve the Senate directly in the renegotiations.

For the "snap negotiations" to have any meaningful prospect, American cooperation shall be necessary.

It might be necessary to review the basic terms of the Manglapus-Armitage Agreement. Among these are the length of extension granted Subic Naval Base, the level of compensation and the conditions for rapid U.S. withdrawal from Clark.

The Americans must now quickly signal flexibility and willingness to reconsider the problematic points in the draft treaty. Should they indicate otherwise and stone-wall on the main points of the draft treaty, they shall succeed only in encouraging a hardening of the Senate's position. This shall, in turn, doom the Aquino presidency to a major political fiasco.

Having signalled imminent rejection, the political ball is now jointly in the hands of Malacanang and Washington. How the ball will be handled from here on is anybody's guess.

At the Palace, the chief disaster control official on this matter should be the Executive Secretary-designate, Franklin Drilon. As ex-officio head of the President's Committee on the Bases, he must quickly design a political path out of this impasse.

Drilon must work closely with the Senate and consider realistic political options. The grossly unpopular Jesus Estanislao who Senator Saguisag described as a "bullshit artist"—must be taken out of the action. At this juncture, Estanislao is a walking provocation.

Perhaps Manglapus too must be quietly taken out of the fray and sent on some earthshaking diplomatic mission to Eastern Europe. Shooting from the hip and speaking off the cuff, he is extremely accident-prone. A verbal lapse might torpedo the precarious renegotiations process.

The possibility that Drilon and Senate President Jovito Salonga sit together on the Philippine side of the negotiating table should be considered. This will, at least on the level of perceptions, cure the impression that the Filipinos are divided on the bases question.

The odds are clearly against the possibility that a new agreement shall be accomplished and a treaty ratified before the September 16 deadline prescribed by the Constitution.

Should the deadline arrive and a treaty is absent, the diplomatic disaster shall degenerate further into a constitutional crisis. Surely, the antibases militants and the oppositionist politicians are not going to allow the passing of a perfect opportunity to slap down the Aquino administration.

Confronted with the deadline, the Americans will probably insist on their interpretation of the Ramos-Rusk Agreement and insist on staying on for a year while the tattered diplomatic cover for such stay is being repaired. Should this happen, the bases question will override electoral political debate.

Transfer of Military Camps to Clark Opposed

*HK0108102991 Manila MANILA BULLETIN
in English 1 Aug 91 p 9*

[By Jerry Lacuarta]

[Text] Angeles City—City officials and the sectoral groups leaders opposed yesterday the proposed transfer to Clark Air Base of two big military camps in Metro Manila, saying the move would bring more economic instability to the people here and in neighboring towns.

They made the opposition to a proposal to transfer Camp Crame and Camp Aguinaldo in Quezon City to Clark during the launching of the "Pampanga: Bangon Ka" [Pamanga: Rise Again] movement at the Angeles City Electric Corp. conference hall here.

The movement, also launched last July 5 in San Fernando town, is aimed at reviving the economic growth that Pampanga and Angeles attained in the past few years.

Pampanga Gov. Bren Z. Guiao, who presided over the launching, immediately allayed their fears, saying he would personally block any attempt to implement the plan. Guiao is the chairman of the RP [Republic of the Philippines] panel's Committee A that recommended the conversion of Clark into an international airport and as site for agri-business and factories.

Ruperto Cruz, president of Angeles City Furniture Manufacturers Association, said they recommended to Governor Guiao that the other phases of the conversion plans like the establishment of industrial and agri-business complex inside Clark be immediately implemented since the proposed international airport could not be put up at this time because of the continuous eruption of Mt. Pinatubo.

Cruz said this would propel in the meantime economic activities in Angeles which were halted by the eruption of Mt. Pinatubo.

But Cruz said they vowed to pool their resources in rehabilitating Angeles City. With a population of more than 300,000, the city has also an annual income of P[Philippine peso]30 million.

Reportage on, Reaction to Marcos Issue Continue

Imelda Marcos Comments Cited

*HK0108031491 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 31 Jul 91*

[Text] Mrs. Imelda Marcos received with mixed emotions the government's decision to allow her to return to the Philippines. Imelda said she can accept the unbelievable and cruel conditions slapped on her by the Aquino administration for her return. According to Mrs. Marcos the ban on the remains of her late husband returning to the country with her is a painful step because it stops her from fulfilling her sacred vow to the late President Marcos that she would bury him in his own country. The former first lady assured that she will return to the country but said this is not being requested by the court. [sentence as heard] Ding Antonio Coronel, Imelda's lawyer, confirmed this by saying that he advised his client to return to the country only when her personal appearance in court, in relation to the charges filed against her by the government, is needed.

De Villa: Marcos' Return 'No Threat'

*HK0108122691 Manila Manila Broadcasting Company
DZRH in Tagalog 0900 GMT 1 Aug 91*

[By Fernan Imberga]

[Text] Defense Secretary Renato de Villa said that he had a meeting with President Corazon Aquino in Malacanang yesterday in which they discussed the issue of the return of the former first lady and her relatives. According to him, he sees no threat posed by the former first family to the country, adding that this would not bring about a coup d'etat because the Armed Forces organization is more stable now.

Congressmen Comment on Decision

*HK0108071591 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 31 Jul 91*

[Excerpt] Members of the two houses of congress welcomed the government decision to allow the Marcos family to return to the country. Senate president Jovito Salonga stressed it is about time for the Marcos family to come home because it is their right as Filipinos to live, die and be tried in their own country.

Senator Santanina Rasul, for her part, said the return of Mrs. Marcos and her children is not a threat to the country's security, and it should have been done a long time ago.

Senator John Osmena, although in favor of the return of the Marcos family to the Philippines, expressed the fear that some politicians might goad Imelda and Aquino to run in the election which could result in a head-on collision by the two widows.

Meanwhile, Senator Leticia-Ramos Shahani said the remains of the late President Marcos should have been allowed home so that he can be buried in his hometown.

Senate President Pro Tempore Sotero Laurel, despite his prediction that Imelda's return could result in the division of the Nacionalista Party, said what is important is that the right of a citizen to return to the country has been upheld.

The senators stressed that the government's decision is a genuine manifestation of reconciliation and will help in recovering the reported ill-gotten wealth of the Marcos family.

Meanwhile, the congressmen hailed the government's decision. According to them, this should have been done a long time by the Aquino government. House Speaker Ramon Mitra Jr. said this will help unite the Philippine people. [passage omitted]

Supporter Pledges No Violence

*HK0108125991 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 1 Aug 91*

[Text] Oliver Lozano, president of For a Better Philippines and supporter of the late President Ferdinand Marcos, assured that loyalists will not stir up violence when the Marcos family returns to the country.

He made this statement during an interview with Ben Sangalang of the Philippine Broadcasting Service.

[Begin Lozano recording] Mrs. Aquino need not worry that the followers of the late President Marcos will stir up violence because there exists a formal and written commitment by the interim leadership of the New Society Movement [KBL], loyalists, and Ilocandia [provinces in Ilocos] that there will be no untoward incident during the return of the Marcos family. And if that written commitment of the entire leadership of the KBL, the loyalists, and the Ilocanos is not enough, they will be willing to abide by any condition that may be set by Mrs. Cory Aquino. She may call them one by one, the leaders whom she suspects will cause trouble, and in front of the media, these leaders will promise that they will not cause trouble. [end recording]

One-Way Travel Papers Granted

*HK0108093491 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 01 Aug 91*

[By Rey Arquiza, DZRH Unit 21]

[Excerpt] Foreign Affairs Secretary Raul Manglapus announced today that he has given instruction to all embassies of the Philippines in the United States and other countries to grant travel documents to former First Lady Imelda Romualdez Marcos and her children.

Manglapus said in a news briefing that the grant of travel documents to the family of the late President Ferdinand Marcos was only for them to be able to come back to the

country. The travel documents, according to Manglapus, are only one-way travel documents.

Manglapus said that he has an idea of the whereabouts of the other members of the Marcos family, and revealed that Irene and her husband Gregg Araneta are in Kuala Lumpur.

[Begin Manglapus recording in English; broadcast in progress] ...decision made by the Office of the President, we issued this morning orders to our missions to facilitate the return of the Marcos family by issuing them one-way travel documents, not passports but one-way travel documents that will enable airlines to take them on board, to bring them to Manila. [end recording]

Manglapus also announced that the family of the late President Marcos should apply for travel documents in the embassies of the Philippines. [passage omitted]

Government Files Criminal Charges

HK0108044791 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 1 Aug 91

[Text] The government has formally filed criminal charges against former first lady Imelda Romualdez Marcos and her three children. There are 29 tax-related cases. Solicitor General Francisco Chavez presented the suit to Justice Secretary Silvestre Bello. According to Chavez, he filed the cases in the name of the Filipino people, saying this is a step toward the justice sought from the Marcoses.

Further on 'Tax Fraud Cases'

HK0108033191 Hong Kong AFP in English 0308 GMT 1 Aug 91

[Excerpts] Manila, Aug 1 (AFP)—The Philippine Government initiated criminal proceedings Thursday against former first lady Imelda Marcos, accusing her and her three children in a total of 29 tax fraud cases, one day after allowing them to return from exile.

Solicitor-General Francisco Chavez, the government's chief lawyer, filed the formal complaints with Justice Secretary Silvestre Bello, whose office has the final power to bring the cases to court.

Chavez said he was filing the cases "on behalf of the Filipino people," describing the move as a "first historic step," in the "people's quest for justice" from the Marcoses. [passage omitted]

The tax fraud cases filed Thursday, included 11 counts against Mrs. Marcos, two counts against eldest child Imee Marcos Manotoc, eight counts against only son, Ferdinand Marcos Junior, and eight counts against youngest child, Irene Marcos Araneta.

Chavez was confident of securing a conviction and said each count carried a maximum penalty of five years.

The charges were based on the Marcos family's failure to file income tax returns from 1985 to 1987, he added.

Their income tax returns from 1964 to 1984 are now under investigation for possible new charges in the future, Chavez said.

Manila previously filed 35 civil suits against the Marcoses and their chief allies. However, the government had refrained from filing criminal suits since this would mean allowing the Marcos family home to face charges.

Court: Desynchronized Election Unconstitutional

HK3007140891 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 30 Jul 91

[Combined reports by newscaster Val Domingo and field reporter Henry Umaga of radio patrol number 14]

[Excerpts] In a 21-page decision released this afternoon, the Supreme Court ruled as unconstitutional the holding of desynchronized elections in 1992. The national and local elections will therefore have to be held at the same time in May of next year. Fourteen out of the 15 magistrates of the Supreme Court voted against the bill signed by the president last month. Supreme Court Chief Justice Marcelo Fernan did not vote.

It should be recalled that after the president signed the bill, the Provincial Governors League and the League of Municipal Mayors immediately questioned it before the Supreme Court. The two organizations asked the Supreme Court to declare the bill unconstitutional.

The General Assembly, meanwhile, suspended its session this afternoon to protest the Supreme Court decision on the separate elections law, which they have made law. House Speaker Ramon Mitra Jr. immediately met with Senate President Jovito Salonga to discuss solving other election-related problems through the formation of a constituent assembly. [passage omitted]

Here is Henry Umaga of radio patrol number 14, for another related development.

[Begin Umaga recording] From the Senate, there is an increasing possibility that Congress will form a constituent assembly with the objective of amending the Constitution. This relates to the Supreme Court decision that a desynchronized election is unconstitutional. According to some senators, like Senators Tito Guingona, Juan Ponce Enrile, and Joey Lina, Congress will form two committees which will study the possibility of making another bill that will conform with the Supreme Court decision; and the possibility of transforming congress into a constituent assembly that will amend the constitutional provision on synchronized elections. [passage omitted] [end recording]

Malacanang Rejects Call for Constituent Assembly

HK0108071891 Manila THE CHRONICLE in English
1 Aug 91 p 9

[By staff member Lito Zulueta]

[Text] Malacanang yesterday rejected calls for a constituent assembly to amend the Constitution which calls for synchronized or simultaneous national and local elections next year.

Executive Secretary Franklin Drilon said the Constitution should not be tinkered with simply because of the problem of holding joint elections in 1992.

Drilon was reacting to the proposal of some lawmakers for Congress to be convened into a constituent assembly to amend the charter.

The proposal followed the decision of the Supreme Court declaring as unconstitutional Republic Act [RA] 7056, approved by President Aquino last June, which provides for desynchronized elections.

Drilon said Malacanang would abide by the decision and urge Congress to pass a new law setting the date for the joint national and local elections.

Meanwhile, Cebu Gov. Emilio Osmena who led the fight against RA 7056 in the High Court, hailed the decision. "We feel vindicated by the Supreme Court ruling," he said in a press statement. "The decision also serves as a stern warning to Congress not to tinker with the Constitution, the highest law of the land."

Osmena's sentiment was echoed by Senators Agapito Aquino and Jose Lina as well as Mayors Mal Lopez (Manila) and Jun Simon (Quezon City).

In a related development, the Commission on Elections (Comelec) said it is prepared to supervise the synchronized polls but asked the government to increase its appropriation for the exercise.

The Comelec, officials said, needs at least another P900 million for additional ballot boxes, rental of extra polls places, hiring of technical personnel, training of additional personnel and related requirements.

The Comelec also submitted to Malacanang and Congress a draft bill on the holding of the synchronized polls as well as proposed electoral reforms to strengthen the commission's law-enforcement capability and effectiveness.

The Senate voted 10 to 9 last night to reject the House proposal for a constituent assembly, saying there was no more time to consider that move 10 months before Congress' term ends.

In a straw vote, the chamber at first voted 9 to 9 on the suggestion of the House.

Senate President Jovito Salonga then cast a negative vote to break the tie.

The vote indicates that the national and local election will be held simultaneously on May 11, 1992 and that Congress will just pass a bill to ease voter load in those polls.

Officials: Economic Slump 'May Worsen' Crime

HK0108071491 Manila THE CHRONICLE in English
1 Aug 91 pp 1, 10

[By staff member Manny Mogato]

[Text] The peace-and-order situation may worsen during the second half of the year due to the economic decline arising from the series of disasters that hit the country, senior defense and military officials warned.

Officials also fear that economic difficulties experienced in some parts of the country, especially in Central Luzon, could fuel unrest and give the communist rebels additional issues to exploit in their campaign against the government.

In a mid-year report, the defense department warned that the economic crunch might hamper anti-rebel and anti-crime campaigns.

"The tight economic situation in 1990 brought forth by a combination of various factors will likely continue in 1991," the report warned.

The report covered the first six months of the year and compared it with the performance and achievements during the last six months of 1990.

The country was still recovering from a major earthquake, a long dry spell and a string of destructive typhoons last year when war broke out in the Persian Gulf in January.

The economic outlook appeared rosy after the brief Gulf war, but the eruptions of Mount Pinatubo in June and the departure of the U.S. from Clark last month have reversed the economic forecasts for the next six months.

The huge cuts in the much-delayed passage of the 1991 budget are also seen to have contributed to the economic slowdown, as civil servants face the threat with mass layoff and the government is forced to implement more belt-tightening measures to save on its meager resources.

As operating funds of the military and police are diminished by budget cuts and the austerity measures are imposed by government, the defense department warned that "law-enforcement efforts and the momentum of the counterinsurgency campaign could be adversely affected."

"Total crime volume may possibly increase in 1991," the same report said, predicting a rise in crime against property like car theft, bank robbery, kidnap-for-ransom and burglary.

Economic crimes like smuggling, fraud, estafa [swindling], and graft and corruption are also expected to increase, the report warned.

The New People's Army (NPA), the report added, "will likely take advantage of the economic situation to enhance its organization and agitation-propaganda activities, particularly in the labor and student sectors."

In a separate report, Camp Crame said mass actions like labor strikes, demonstrations and protest rallies are being orchestrated by communist rebels to exploit the current economic difficulties to create an atmosphere conducive to a popular uprising to topple the Aquino administration.

But the arrest of half a dozen communist political leaders in Metro Manila during a series of intelligence operations has set back the rebels' timetable, the report said.

Crime rate in the country has improved from 20.75 incidents per 100,000 population to 19.22 incidents per 100,000 population, or a 6% decrease in the average monthly crime rate (AMCR) at the end of 1990.

Crime rate continued to increase during the first six months, and defense and military authorities predicted slight increases in the volume of index crimes in the last half of the year because of the economic crunch.

The insurgency also suffered decline as the strength of the CPP [Communist Party of the Philippines]-NPA-NDF [National Democratic Front] went down by 4%, from 17,270 regulars to 16,590 at the end of the first semester of the year.

The number of rebel armaments similarly declined by 1%, from 11,700 assorted weapons to only 10,850 at the end of June this year.

De Villa Allays Fears of Military Takeover

HK0108134691 Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 1 Aug 91

[By Fernan Imberga, DZRH unit 22]

[Text] Defense Secretary Renato de Villa allayed the fears expressed by several legislators headed by Congressman Peping Cojuangco that the military may take over or grab power from the government if a power vacuum occurs as a result of a decision by top government officials to run in the 1992 elections.

In a news conference at the Department of National Defense, De Villa said the fear of a possible military takeover is a mere theory because the Armed Forces of the Philippines' [AFP] leadership headed by General Lisandro Abadia has been tested and it would not wish to grab the government from the civilian leadership. De Villa also said that all the AFP commanders uphold constitutional democracy, thus the military will, in no way, grab power during the transition period from the old to the new administration:

[Begin De Villa recording in English] I do not foresee and I do not believe that such a military takeover would occur because, simply because, there is a gap between the going out of the old administration and the coming in of the new administration. More, perhaps, is being pointed out here, as a secretary is to identify another person in the civilian hierarchy who should be the caretaker just in case such a hiatus in leadership occurs. The military will not take over just because there will be a vacuum. It cannot be assumed that way. [end recording]

Legislators earlier expressed the fear of a possible coup d'etat and a military takeover the moment the three top government positions become vacant as a result of the expiration of President Aquino's term and the decision to run in the 1992 polls by Senate President Jovito Salonga, Chief Justice Marcelo Fernan, House Speaker Ramon Mitra Jr. and other top government officials.

Rebels, NPA Said Preparing Coup Attempt

HK0108025291 Manila MANILA BULLETIN in English 1 Aug 91 p 8

[By Rolly Alano]

[Text] Naga City—Rebel officer Gregorio Honasan, a former Army lieutenant colonel, is reportedly forging an alliance with the New People's Army (NPA) in Bicol for a new coup attempt against the government.

Honasan, together with former Constabulary Lt. Col. Rodolfo Tor and other Reform the Armed Forces Movement (RAM) officers, were reported to have proposed the alliance in talks with Bicol rebel leaders led by Ka [Comrade] Charlie in barangay Napulidan, Sipocot, Camarines Sur. The meeting reportedly took place two weeks ago.

Local mediamen said yesterday that several Napulidan residents saw Honasan when he came for the meeting with the rebel officers.

The residents said Honasan came to the barangay from the national highway about two kilometers away.

They said Honasan's group arrived in the highway in a black Mercedes Benz, a dirty white Toyota Land Cruiser and two motorcycles.

Honasan's meeting with the rebels was in a happy mode, it was said.

Col. Victor Mayo, 201st Infantry Brigade commander, said that there were also reports that Honasan also separately met with the NPA leaders in Sorsogon and Camarines Norte two months earlier.

"Any coup to succeed must be staged in Metro Manila where the seat of government lies and it may be true that Honasan is seeking rebel support for a new coup de etat," Mayo said.

Military intelligence reports said that there are now many rebels from Quezon and Bicol going down to Metro Manila.

"But any coup supported by the NPA will fail and this is where Honasan will go wrong," Mayo said.

NPA Solicits Money Abroad for Activities

*HK3007084291 Manila MANILA BULLETIN
in English 30 Jul 91 p 26*

[By Aris R. Ilagan]

[Text] Military intelligence officials disclosed yesterday that the Communist Party of the Philippines (CPP) and its military arm, the New People's Army (NPA), have solicited more than \$80 million worth of assistance from foreign sources to finance their underground activities in the country.

Speaking on condition of anonymity, military intelligence sources said the bulk of their foreign-solicited funds were obtained from communist organizations based in Europe.

The Armed Forces has identified local projects of the CPP-NPA, which include providing assistance to depressed communities in an effort to gain mass support, they said.

Sources also said that 80 percent of the funds were used by the CPP-NPA to purchase assorted firearms for their guerilla units nationwide and to support CPP-NPA leaders living abroad.

Jose Ma Sison, the alleged CPP leader, has been living in exile in the Netherlands since 1986. He was also tagged by the military as the "chief orchestrator" in the soliciting of funds abroad for the CPP-NPA abroad, sources added.

On the other hand, the Philippine government has been exerting diplomatic efforts, urging the Dutch government not to renew Sison's visa.

Sison is facing rebellion and murder charges in the country in connection with the bombing of the Liberal Party "Miting de Avance" [Grand Rally] at Plaza Miranda August 21, 1971.

Armed Forces chief of staff Gen Lisandro Abadia earlier claimed that the foreign support for the CPP-NPA has dwindled in the recent years as a result of the failure of the communist system in some countries in Eastern Europe and Soviet Union.

Muslim Secessionist Group 'No Longer' Threat

*HK3007011891 Manila PHILIPPINE DAILY
INQUIRER in English 28 Jul 91 p 10*

[By Carolyn Arguillas and Boy Caballero]

[Text] Davao City—The Moro National Liberation Front [MNLF] is "no longer a threat to government," Sen. Santanina Rasul said here yesterday.

The Philippine government usually sends emissaries to the members of the Organization of Islamic Conference (OIC) to convince the heads of state or their governments "that the government here has taken care of the Muslims in this country," said Rasul.

The OIC meets in Istanbul on August 3.

"This year there has been no mission sent abroad and the OIC meets on Aug. 3 in Istanbul so I think that is an indication that the government does not consider the MNLF a threat anymore," said Rasul, a Muslim, whose husband, Abraham Rasul, is the Philippine ambassador to Saudi Arabia.

Meanwhile, a Moro National Liberation Front commander, Panda Pasagui, and 10 of his followers surrendered to Tommy Inca, district supervisor of the Philippine National Police, at Camp Aleri in Salvador, Lanao del Norte, yesterday.

Pasagui, one of the 10 most wanted rebels in Mindanao, surrendered his and his men's firearms and pledged that he will convince other MNLF leaders to return to the fold of the law.

Financing Deficits Said Down to \$150 Million

*HK0108104291 Manila BUSINESS WORLD
in English 1 Aug 91 p 1*

[By Ma. Gertrude M. Chavez]

[Text] The country's financing gap for 1991 is only down to \$150 million this year, Central Bank [CB] Governor Jose L. Cuisia, Jr. said yesterday.

This could be obtained from commercial banks, assuming the complementary financing scheme [CFS] being worked out between the country's creditor banks and the Asian Development Bank [ADB] pushes through within the year.

But Mr. Cuisia maintained the financing gap is still \$2.1 billion for 1991-92. Thus, next year would see heavy pressure on Government to fill this funding shortfall. Financing pressure becomes even heavier with the projected tightness of the budget due to the lack of peso counterpart funding for foreign-assisted projects.

According to CB projections, \$1.2 billion will come from relief to be obtained from the Paris Club rescheduling of some \$1.2 billion in principal and interest payments. A total of \$500 million would come from official sources while the remaining \$400 million would be obtained from the commercial banks.

The big question, Mr. Cuisia noted, is whether the Philippines could raise the \$400 million from the banks since the foreign institutions themselves are in tight financial situation.

The Philippines had hoped to raise \$250 million in new money for the banks this year under the CFS and this, Mr. Cuisia said, is already inputted in the balance of payments projections.

The vehicle being considered in the \$250 million forestry sector loan of the ADB with parallel financing to be provided by the banks.

The entry of the Overseas Economic Cooperation Fund in the revised CFS of \$200 million indicates a higher financial package this year which could exert little pressure on this year's financing gap. This leaves about \$50 million to [be] filled up by the banks.

Right now, Government is looking at different loan vehicles which could be financed by the banks. One suggestion floated was the \$200 million capital market loan from the ADB.

Hindrance

But the main hindrance to this loan program is the delay in the institution of the required financial reforms.

While the loan was first discussed in 1989, negotiations failed to gain headway since the country's financial authorities have yet to install the needed structures in the system.

Another alternative loan vehicle being eyed is the 600-megawatt coal-fired project of the National Power Corporation in Masinloc, Zambales. Finance for this project would be provided by the Japan Export-Import Bank.

Trade Deficit Shows Fall for First Five Months

HK3107060691 Manila THE CHRONICLE in English 31 Jul 91 p 1

[Text] With the growth of exports outpacing that of imports, the country's trade deficit for the period January-May 1991 narrowed by 3.6% to U.S.\$1,527 million from a year earlier.

Cumulative exports for the first five months of the year, at U.S.\$3,407 million, rose by 4.2% from the U.S.\$3,271 million posted in the comparable period of the previous year. This increase was accounted for mainly by the upswings in the shipment values of (a) manufactures (by U.S.\$173 million), traceable largely to increased sales of electronics, chemicals, and machinery and transport equipment; (b) fruits and vegetables (by U.S.\$2.5 million) following higher earnings from pineapple products, bananas, and mangoes; (c) other agro-based products (by U.S.\$21 million) owing chiefly to hiked shipments of shrimps and prawns; and petroleum products (by U.S.\$20 million). In contrast, declines were noted in

exports of coconut products (by U.S.\$41 million), mineral products (U.S.\$25 million), sugar and products (U.S.\$14 million), and forest products (U.S.\$12 million).

For the five-month period under review, semiconductor devices continued to occupy the top slot among the country's ten principal exports, with shipments increasing by U.S.\$25 million to U.S.\$340 million.

Other leading items included finished electrical and electronic machinery and parts manufactured from materials imported on consignment, consigned women's wear, consigned children's and infants' wear, and coconut oil (crude and refined).

On the other hand, aggregate imports for the January-May 1991 period reached U.S.\$4,934 million, 1.6% higher than the year-ago level of U.S.\$4,855 million.

The upturns in imports of mineral fuels and lubricants, raw materials and intermediate goods, and special transactions more than offset the downturns recorded in arrivals of capital goods and consumer items.

Oil Consumption Drops During First Five Months

HK0108072391 Manila PHILIPPINES NEWSDAY in English 1 Aug 91 p 8

[By researcher Alona Marie Dayrit]

[Text] The prevailing slowdown in economic activities, spawned mainly by escalating operation costs, continued to dampen overall industrial consumption of petroleum products during the first five months of the year, the Office of Energy Affairs [OEA] reported.

In its latest monitor of the country's oil demand and supply trends, the OEA said fuel-intensive industries and commercial establishments' combined petroleum product use dropped by 12.20 percent to 19.159 million barrels as of end-May this year from the 21.821 million barrels registered in the same period last year.

Excluding the oil utilization of the power generation sector traditionally the country's biggest fuel user—the decline in local firms' consumption was even sharper, at 15.80 percent to 11.183 million barrels.

In May alone, industrial oil product use was down by 13.91 percent to 4.053 million barrels from the previous year's 4.708 million barrels.

The downtrend, the OEA said, indicated that production activities have remained sluggish with most firms saddled by the steady run-up in operation costs. Already considerably slowed down by the adverse impact of last year's economic slump and the just concluded Gulf war, industrial operations were further hampered by the government's imposition of the 9 percent import levy that jacked up business costs.

With industries having normally sizeable fuel requirements cutting down on their respective capacities, the

sector's consumption of petroleum products continued to contract during the period in review.

According to the OEA, oil product demand since the start of the year has been in the doldrums, which, it assessed, is a strong indication that "the upward struggle to regain normalcy in economic activity has remained difficult for most industries." Thus, if the current industrial slowdown continues—especially due to the extensive damage wrought by the Mt. Pinatubo eruptions it is likely that petroleum product use will continue to lag behind last year's levels, the OEA said.

Reflecting an industry-wide reduction in oil usage from January to May this year, majority or 19 out of the 23 key industries whose consumption is regularly monitored by the OEA, reported cutbacks in their consumption.

Posting the steepest declines in demand were cement manufacturers (whose fuel use plunged by 65.33 percent), mining firms (28.77 percent), domestic aviation (26.76 percent), coconut and vegetable oil makers (25.55 percent), textile mills (21.01 percent), and logging and wood product manufacturers (20.98 percent).

Also indicating a wide-spread slack in demand for oil was the country's lower consumption of petroleum products which shrank by 7.78 percent to 33.218 million barrels as of end-May this year from the previous year's 36.022 million barrels, the OEA reported. It noted in particular that consumption of fuel oil, which is widely used in industries, posted an 11 percent drop, indicating a slowdown in industrial activities.

Board Approves Foreign Loans for State Projects

HK3007090791 Manila BUSINESS WORLD
in English 30 Jul 91 p 2

[By Cris V. Paraso]

[Text] The Monetary Board approved a total of \$504 million in new foreign loans for the National Government [NG] and government-owned and -controlled corporations for the second quarter ending June.

In a report to the Senate, Central Bank Governor Jose L. Cuisia, Jr said the new loan approvals will finance projects for power generation, social services, food production, transportation, communications and road construction. It will also include the importation of soybean meal and the purchase of a full flight simulator for Philippine Airlines [PAL].

Of the total loan package, he said \$425 million had maturity periods of 14 to 31 years while \$79 million had repayment periods of six to 11-1/2 years.

Mr Cuisia said no publicly guaranteed loans of the private sector were approved by the Central Bank for the second quarter.

For the NG's account, the following projects will be financed by the new borrowings:

- Importation of soybean meal, \$15 million from the United States under the U.S. Public Law Title I program;
- Second Elementary Education Project, \$200 million from the World Bank;
- People's Television 4 facilities upgrading project; \$4.809 million from Credit National and \$3.456 million from Banque Paribas/Banque Indosuez; and
- Metro Cebu Traffic Systems Project etc, \$4.889 million from the Australian Trade Commission.

The NPC [National Power Corporation] loans will cover the following projects:

- Tiwi Mechanical Gas Extraction Project, \$16.88 million from Japan Export-Import Bank;
- Masinloc Coal Thermal Power Project, \$200 million from the Asian Development Bank; and
- Small Barge Mounted and Land-Based Diesel Generator Project, \$48.654 million from Nichimen Corp and Japan Eximbank supported suppliers credit.

PAL acquired \$10.67 million from Bank of America NT [expansion unknown] & SA to finance a B-737-300 flight simulator.

Thailand

ROK Foreign Minister Calls on Asa, Anan

BK3107142791 Bangkok Army Television Channel 5
in Thai 1230 GMT 31 Jul 91

[Text] Visiting ROK Foreign Minister Yi Sang-ok paid a courtesy call on Foreign Minister Asa Sarasin at the Foreign Ministry today where they attended a bilateral level meeting for about an hour. Speaking to reporters later, the ROK foreign minister said this is his first visit to Thailand and it is aimed at strengthening bilateral relations. In particular, the ROK thanks Thailand for supporting both Koreas for UN membership and for enabling the ROK to become a full-fledged dialogue partner at the recent ASEAN meeting in Kuala Lumpur.

[Begin Yi recording in English in progress] ... on a number of issues of mutual concern. We confirm that that bilateral relations remain excellent and in good shape. [end recording]

Meanwhile, Foreign Minister Asa disclosed to reporters that Thailand has asked the ROK to help supervise some 800 Thai workers employed by Korean firms in Libya and to hire more Thai workers for jobs in the Middle East, particularly in Kuwait. He suggested that ROK open more markets for Thai agricultural products.

[Begin Asa recording] There should be more trade between the two countries. We are suffering a trade deficit with the ROK and, therefore, want it to open more markets to Thai products. [end recording]

The foreign minister also accompanied the visiting ROK foreign minister for a courtesy call on Prime Minister Anan Panyarachun at Government House today. Asa said economic and trade cooperation was discussed and added that the ROK attached considerable importance to Southeast Asia, as evidenced by its attendance at the ASEAN ministerial meeting as a dialogue partner.

Editorial on Lack of Preparation for Refugees

*BK0108032991 Bangkok BANGKOK POST in English
1 Aug 91 p 4*

[Editorial: "Just sending refugees home is not enough"]

[Text] Taken at face value, the comprehensive plan announced by the Supreme Command to repatriate all remaining Laotian and Cambodian refugees back to their homelands seems a logical move. Since the first exodus of refugees streamed out of Indochina following the communist victory there in 1975, Thailand has contributed more than its fair share to shoulder the burden of a first-asylum country. Although there has been some degree of success in the resettlement of a portion of these refugees to third countries, the country at present is still playing host to more than 400,000 Cambodian and Laotian refugees who are either unwanted by third countries or who simply want to wait in various Thai border camps for the opportune time to return home.

The timing of this major repatriation exercise also appears to make sense in light of the easing regional atmosphere and the growing prospect of a political settlement to the Cambodian conflict in the near future. But on closer scrutiny, a great deal of preparatory groundwork may have to be put into place before any large-scale repatriation can be successfully carried out. From Thailand's point of view, it is a worthy—perhaps overdue—exercise to rid the country of the protracted refugee burden once and for all. But, as a Bangkok-based United Nations refugee official cautioned, any hasty repatriation could bring the returnees flooding back to the Thai border for a second time.

According to Armed Forces spokesman Gen Narudon Detpradiyut, the more than 350,000 Cambodian refugees currently housed in border camps will be gradually sent back through various routes with the final batch scheduled to leave Thai soil within a nine-month deadline in time for what he projected will be elections in Cambodia. Meanwhile, repatriation of the more than 60,000 Laotian refugees will be spaced out over a longer period, with the last group due to go back to Laos by 1994. Gen Narudon made it clear that those remaining in Thailand after the deadline will have their status changed to illegal immigrants and hence will be denied international assistance.

It is probably not incorrect to assume that the vast majority of the Cambodian refugees want to return home. After three decades of fighting and political strife, the rival Cambodian factions that comprise the Supreme

National Council (SNC) are winding up the final chapter of a political settlement that should mark the dawn of a new era of a peaceful Cambodia. As such, it is the duty of all responsible Cambodians to participate in the nation-building process.

But how equipped are they to do so? With the professionals and well-educated having resettled in third countries, most of the Cambodian refugees who have been slugging it out in border camps are a pitiful lot who lack proper educational background or professional training. On returning home, the most they can hope for is to take up farming but even so, they will still require the basic logistical support such as farm tools, seeds and fertiliser. This is not to mention the physical hazards posed by land mines planted by the warring factions in the war zones that have to be eliminated.

Potential problems that will be faced by the Laotian returnees may differ from those of the Cambodians. Aside from some basic occupations to help them reintegrate into the mainstream society, the Laotian returnees may also encounter political problems arising from their ideology which differs from that of the Vientiane regime. It is common knowledge that a large number of the Laotian refugees, particularly the H'mong who once served in the secret army funded by the Central Intelligence Agency (CIA) that fought the Laotian Communists, had escaped from what they perceived to be political persecution by the ruling Lao authorities. What safeguards are there to ensure that they will be accorded decent treatment once they return home?

It is apparent that the massive repatriation exercise envisaged by the Thai authorities requires a multi-pronged approach to ensure that all goes smoothly. This has to involve not only the official authorities of the home countries but also international agencies such as the Office of the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC). Elaborate provisions should be worked out to ensure that all returnees receive the necessary assistance to start a new life. Some form of mechanism, preferably administered by neutral parties or international organisations, should also be instituted to enable the monitoring of the returnees' progress, to see to it that additional assistance is provided where required, and to safeguard against any persecution. Otherwise, the exercise may not produce the desired result.

NPKC Faulted for Inaction on Promises

*BK0108031391 Bangkok THE NATION in English
1 Aug 91 p A8*

[By Sapon Onkgara: "Didn't NPKC Get the Message?"]

[Text] "Don't let the people down." This was the advice given by His Majesty the King to the National Peace Keeping Council (NPKC) shortly after the Feb 23 coup.

This statement is clear in my memory, and I am sure it was not lost on others—those who had hoped that things

would turn out better. After all, we had to sacrifice our budding democracy for the noble mission claimed by the military junta.

Of course, the message was quickly noted by all members of the junta. But was it forgotten sooner than expected?

The junta members might have given several promises in haste and even without advance planning to mollify the people and avoid a public backlash. The coup was also hatched at the spur of the moment, as many inside stories later unfolded. That's why they hastily came up with five pretexts to justify the ouster of a democratically-elected administration.

After sobriety set in, the junta chiefs must have realized that the pledges were lofty ideals, a pie in the sky, which are beyond fulfilment. So far, they have not even accomplished half of what they claimed as a patriotic deed.

So they are resigned to the fact that making promises and delivering on them are entirely different. In this process, diversions must be created together with more lame excuses and they have to blame somebody else—in this case it has to be the government so that they can get away from responsibility and accountability to the people.

People have never been that naive. They have witnessed how key junta leaders have enjoyed being showered with golf course and country club chairmanships. They have seen widespread cronyism and factionalism in the armed forces and the Police Department. So the excuses and the blame cannot hide the naked truth and, like it or not, it is already there for all of us to see.

I was among those who had no doubts right from the start that the coup would not only turn out to be a futile exercise but eventually very damaging to this country. Greed for power can never be hidden under the guise of patriotism. Past history served as a good guide. We have experienced more than 12 so-called successful coups, but we have never had a ruling military clique, under whatever title, that could prove in the end that what it did was all for national and public interests. It was all the same sort of hypocrisy of the first order.

Are we witnessing a development process that, instead of leading to democracy, will lead to absolute power which will corrupt absolutely?

Well, not absolutely. Still, even a little absolute power is already too much, as it will have a multiplier effect if it is condoned right at the beginning.

Negative signs include the attempts by the 20-member Constitution Drafting Committee to retain the absolute power now vested in the junta under Article 27 of the interim Constitution, until a new administration formed after a general election assumes office. The committee's argument and adamant stand on this issue are clearly a defiance against common sense.

The retention of Article 27, is among the provisional clauses of the draft constitution. Other articles are being

derided as major stumbling blocks towards true democracy. Among them is the one that makes it very difficult, if not entirely impossible, for members of Parliament to amend the Constitution, and the appointment of a team of ombudsmen—originally with a seven-year term but subsequently cut down to five years following strong public criticism—to supervise the House.

Are these clauses part of a grand design by the junta members to perpetuate their grip on power? Most observers believe so. Even groups loyal to the junta think they are as well, but publicly won't say so.

The NPKC leaders should not make a second mistake—the first was staging the ill-advised coup—by assuming that the public will take it sitting down. Criticism from the public and the tirade from politicians are getting louder, all underscoring a feeling of strong resentment.

The people are resentful because their interests have been used as an excuse by armed forces leaders. They will not tolerate the argument that the new constitution will be best for their own interest. To talk about a constitution totally divorced from the coup d'etat is a sick joke if not an affront to the public.

The Constitution is not something totally impregnable. How can the defenceless public prevent a coup if leaders of the armed forces decide some day that they should no longer show respect for the Constitution, which is supposed to be our supreme law? An end to coups or seizures of power in this country is only possible if the powerful elements in society have the right mentality.

Our Criminal Code says that it is illegal and criminal to topple governments by brute force. So far, only the leaders and supporters of failed coups were liable to punishment. We had a historic case when three ex-MPs got jailed for initiating criminal charges against the Thanom-Praphast regime after it staged a coup against its own administration in November 1971 when they could not stand scrutiny by the MPs and public criticism.

The action of the three MPs was honourable and perfectly legal under the Criminal Code. It was a daring attempt to protect public interests. Coup leaders and the armed forces had blatantly committed a crime punishable only by death. But as we know, they managed to get an amnesty law promulgated to legitimize their criminal wrongdoing.

The MPs—Uthai Phimchaichon, Bunkoet Hirankham and Anan Phakpraphai—almost were incarcerated in prison. It was the determination of the Thanom-Praphast regime to see to it that, as good deterrence, the threesome who dared to rise against them rotted in hellish confinement. But in the end, the so-called tyrannical trio had to flee the country in a hurry after the student uprising toppled their government in October 1973. The jailed MPs were soon released in the new air of democracy.

True power belongs to the people. This has been said repeatedly but obviously it has never sunk into the minds of military leaders who have misguided confidence that with enough guns and tanks they can always prevail. This devil-may-care line of thinking usually shapes up whenever they are obsessed with power. So, it is always too late when they realize about the mistake, but hardly with any repentance.

These past few days have told us something. We are more or less reliving our history. It is at that familiar chapter which deals with growing public dissent against political repression. As usual, the criticism started in limited groups, then it was echoed by more and more people who shared the same sentiments. Then the criticism became bolder until it triggered off retaliation by the oppressive rulers who have their eyes closed to reality.

Armed force would then be met with force, but of a different kind generally known as popular force which could absorb many casualties as long as they still had the hope that true and legitimate power would reign. And that is theirs.

As I see it, the NPKC has irreversibly become part of a new chapter of our history. It is being imprinted on the minds of the people. The junta leaders still have the time and the opportunity to rewrite the rest towards a happy ending. Listen to the people. If they don't like a constitution being designed to directly or indirectly prolong authoritarian rule, no matter how short it is, then the people's wishes must be fulfilled. To do otherwise, as it is pursued now with much vigour, is to demonstrate insolence and arrogance against the people's desire for true democracy.

Like it or not, the people's will and patience in waiting for their turn—call it a vendetta if it is more appropriate—can last forever. These qualities have outlived every dictator and other types of despotic rulers ever born on this planet.

The people who were let down had nothing to lose. In all cases, the victims of public vendettas are inevitably buried in an unpleasant chapter of history.

"Don't let the people down." This advice must never be discounted or forgotten.

Prime Minister Denies Conflict With NPKC

*BK0108014591 Bangkok BANGKOK POST in English
1 Aug 91 p 3*

[Text] Prime Minister Anan Panyarachun yesterday denied there is any conflict between his government and the National Peace Keeping Council (NPKC).

He said he was satisfied with the performance of every Cabinet minister "but whether they are satisfied with me is a different matter."

The Prime Minister was responding to a reporter's question about criticism by Gen Wirot Saengsanit, deputy communications minister and also an NPKC member, that the government has not had any major achievements in the past 4-5 months.

He said he had not heard the criticism directly from Gen Wirot and knew nothing about it. "This is an individual's view, depending on who ever has a view and expresses it," he said.

Asked whether the relationship between the government and the NPKC is still good, Prime Minister Anan said: "It depends on who looks at it, but we all know quite well how the relationship is between the government and the NPKC. But for me, I have the courage to face facts and the fact is, I assure you, we have no conflict."

Asked whether his administration will survive its interim term, he retorted, "Does it look like it won't?" He maintained there is still strong unity in his government.

Asked to comment on criticism that his government has not paid enough attention to basic problems, he defended the government by saying it had been equally attentive to problems which affect the livelihood of the people.

While admitting that it is not an easy task to solve the problem of rising prices for food and consumer products, he said his government had been trying its best to tackle the problem.

Apparently irked by the reporters' persistence on similar questions, the Prime Minister shot back that he disliked their habit of interviewing key members of the NPKC three times a day and then coming to him to ask for his reactions to what they had said.

Asked to comment on Gen Wirot's criticism of the government, Army Commander-in-Chief Gen Suchinda Khraprayun declined to answer and told reporters to refer the question to Gen Wirot.

He also denied there is a conflict between the NPKC and the government.

Deputy Defence Minister and Assistant Army C-in-C Gen Wimon Wongwanit, meanwhile, said he found Cabinet ministers hard-working with some of them working all through the night.

He admitted, however, that there are some problems which could not be tackled overnight.

Regarding some billion-baht projects, he said the previous administration had left behind some problems for the present government to untangle. "It took time, but finally the problems were solved," he said.

Deputy Prime Minister Michai Ruchupan said he didn't feel discouraged by Gen Wirot's criticism "because we are in a position where we cannot escape being criticised."

He said he felt the relationship between the government and the NPKC had improved instead of soured as seen by others "because if we had not liked each other, we would not have criticised the other and should have kept quiet."

Cabinet Members Refute Criticism of Government

BK0108015591 Bangkok THE NATION in English
1 Aug 91 pp A1, A2X

[Text] Deputy Communications Minister Gen Wirot Saengsanit was yesterday caught in a storm of angry comments by many Cabinet members, civilian and military, in response to his criticism that the caretaker government has failed to make significant achievements since it was established last March.

On the forefront of the onslaught yesterday were Commerce Minister Amaret Sila-on, Communications Minister Nukun Prachuapmo and Justice Minister Praphat Uaichai. Also defending the government's performance were Deputy Premier Gen Pow Sarasin and other Cabinet members.

Even Wirot's colleagues in the military establishment, Interior Minister Gen Itsaraphong Nunphackdi, who is also secretary general of the National Peace Keeping Council (NPKC), Defence Minister Adm Praphat Kritsanachan and Deputy Defence Minister Gen Wimon Wongwanit, came out in defence of the Anan government's performance and that of the NPKC.

Wirot caused the uproar with his remarks on Tuesday that NPKC Deputy Chairman Gen Suchinda Khrapayun, who is the most powerful military figure as army commander in chief, was unhappy with the slow progress to achieve the five objectives of the Feb 23 coup. Wirot was also critical of the government's performance and indicated that it was the administration, and not the NPKC which should bear the blame.

Amaret vehemently hit back yesterday, because Wirot had specifically cited the failure by the Anan government to control the prices of consumer goods. This was under the purview of the commerce minister, who also suffered from rumours that he had discussed his resignation from the Cabinet at a late-night meeting with the premier at Government House.

There is no perfect government in this world and criticism should be based on facts, not emotion, said Amaret, who had earlier dismissed the rumour published in a gossip column of a mass-circulation daily.

"If the critic based his comments on fact, I would be ready to explain things to him, but if it came out of emotion, then it would be difficult to pacify him. In the

latter case, he should seek the service of (Oi BM's) [Oi is a girl's nickname; BM is a BMW car] 'Feelings Bank'," Amaret said.

The outspoken minister said that any critic with fairness in mind would agree that the government had achieved many things.

Amaret brushed aside a suggestive question on whether he would explain the price situation of consumer goods to the NPKC, saying he was responsible to only one boss, Prime Minister Anan Panyarachun.

He said that only the prime minister would be able to make him resign.

"I will stay as long as the premier is satisfied with my performance and I am ready to go if he tells me he has a better replacement," Amaret said.

The critic, he said, ignored the other important responsibility of the Commerce Ministry—promoting the country's exports, because he wanted to find fault with the ministry.

The ministry is the easiest target for a critic who can say the prices of goods are going up, he said.

Pradphat, who had also been rumoured to be leaving the Cabinet, for health reasons, also called the criticism unfair to the government.

The minister said the government had been seeking to serve the people's interest in all areas.

He said whether the attack on the government's performance would destabilize the government or not would depend on how the public judges it.

He denied the rumour about his failing health, asserting that he was still physically fit to cope with his responsibilities and had no intention to quit the Cabinet.

Communications Minister Nukun, who had been locked in a verbal battle with Wirot on the telephone expansion project months ago, also joined the tirade yesterday.

Gen Wirot was also in the Cabinet, he said, adding that ministers should work as a team.

"It would be strange if the right hand hit the left hand," he said.

Deputy Premier Pao Sarasin tersely reacted to Wirot's comments.

"This government has tried to do its best. What more do (the critics) want from us after all the things we have achieved so far?" he said.

But Pao denied there was any rift within the Cabinet. He declined to say how the NPKC had evaluated the caretaker government's performance, though.

Deputy Premier Michai Ruchupan probably uttered the mildest comments on the issue.

"Gen Wirot's comment is something which all of us should seriously think about," he said.

He refused to comment on whether there was a rift between Wirot and the other Cabinet members.

The government, he said, was trying to resolve the country's immediate problems and was stepping up efforts to clear the way for the launching of mega infrastructure projects as soon as possible.

Itsaraphong also disputed Wirot's comments that the government and the NPKC failed to score any major achievements.

The government, he said, had come up with many new pieces of legislation during the interim period.

Itsaraphong, asserting that he would speak in his capacity as NPKC secretary general, however, devoted the bulk of his interview in defence of Suchinda's performance.

Referring to the efforts to reduce corruption, cited as one of the reasons for the power seizure, Itsaraphong said that the military-appointed Assets Investigation Committee had worked hard since it was formed and had so far named many former Cabinet members for being "unusually wealthy".

Gen Suchinda, he added, also initiated the proposal for an effective anticorruption law to be used in the future.

"There have been no reports on corruption and bucking for promotions at the Police Department and the Interior Ministry, as had formerly been the case," he said.

For the second objective, of curbing "parliamentary dictatorship", Itsaraphong said an independent panel, chaired by Deputy Premier Michai, had drawn up a draft constitution which could be amended to enhance democracy because the National Legislative Assembly would take into account constructive comments from outside.

The NPKC had also revised the laws to require political appointees to deal with top government officials only to prevent politicians from intimidating or buying bureaucrats, he said of the third reason for the coup.

As for the fourth objective, of clearing up the 1982 assassination attempt case, Itsaraphong said the prosecution of some key suspects was a clear demonstration of the progress in resolving the case.

Gen Wimon, who is deputy defence minister and assistant army commander in chief, said it was easier to criticize a performer than to effectively perform oneself.

"The ministers have worked really hard, so much that some have barely enough time in bed," he said.

He said that some problems could not be resolved overnight.

It would take time for the government to take stock of the major infrastructure projects carried over from the previous government, he said.

Wimon said he did not understand why Wirot criticized the government when the army chief of staff was also a member of the Cabinet.

Defence Minister Adm Praphat Kritsanachan, who is also navy commander in chief and an NPKC member, commented that he saw nothing negative in the government's performance.

"The government is fine with me. What's wrong?" he queried.

Vietnam

Le Mai-Solomon Talks in Bangkok Detailed

BK3107150291 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 31 Jul 91

[Text] Yesterday afternoon, 30 July, in Bangkok, deputy Foreign Minister Le Mai held talks with Richard Solomon, U.S. assistant secretary of state in charge of Asia-Pacific affairs. Also taking part in the talks were Nguyen Trung, Vietnamese ambassador to the Kingdom of Thailand, and Daniel O'Donohue.

This was the sixth formal meeting between Vietnam and the United States since August 1990. The two sides discussed the normalization of bilateral relations and other issues of bilateral concern, including the Cambodian question. The two sides also exchanged views on other matters aimed at speeding up the settlement of the issue of Americans missing in action during the Vietnam war.

The talks proceeded in a constructive atmosphere. The sides agreed to continue the meetings. The time and place will be agreed upon later.

Spokeswoman on PRC, U.S. Meeting, MIAs

BK0108103691 Hanoi Voice of Vietnam in English 1000 GMT 1 Aug 91

[Text] The Sino-Vietnamese relations have been improved step by step in conformity with the aspiration and interests of the peoples of the two countries and peace in Asia and the Pacific. Speaking at the regular press conference in Hanoi on Thursday, Ms. Ho The Lan, a spokeswoman for the Vietnamese Foreign Ministry said the two sides are arranging for a deputy foreign ministerial meeting in the first half of this month in Beijing. The two sides will exchange views on bilateral relations, regional and international issues of mutual concern including the Cambodian issue. Vietnam welcomes China's positive attitude toward the Cambodian issue. She said: Both countries have designs for peace, stability, and cooperation with neighboring countries for national construction. She also said that after 10 years of

abnormal relations the two countries have many issues to discuss and solve including economic, commercial, and other fields.

Regarding the sixth Vietnam-U.S. meeting in Bangkok on Tuesday [30 July], Ms. Ho The Lan said: The two sides pointed out that the meeting was necessary and useful for mutual understanding between the two countries and the issue of normalizing bilateral relations, the Cambodian issue, and other issues of mutual concern. They exchanged measures to promote the settlement of the issue of American servicemen missing in action in the Vietnam War. The two sides agreed to meet again and the time of the next meeting will be arranged through diplomatic channels.

Regarding to the 30 July statement of the Foreign Ministry of the Democratic People's Republic of Korea to turn the Korean peninsula into a nuclear-free zone, the spokeswoman affirmed that Vietnam always makes positive contributions to the struggle for a world without nuclear weapons and supports the establishment of nuclear-free zones in the world. That is why Vietnam totally supports North Korea's proposal for turning Korea into a nuclear-free zone.

Vo Van Kiet Receives Finnish Delegation

BK0108071791 Hanoi VNA in English 0559 GMT 1 Aug 91

[Text] Hanoi VNA August 1st—Vice Premier of the Council of Ministers Vo Van Kiet received here today a visiting delegation of the Finnish-Vietnamese Society led by its Chairman Sappanen Esko.

Vo Van Kiet warmly welcomed the visit as a contribution to the consolidation of the friendship, bilateral cooperation and assistance between the two countries.

For his part, Sappanen Esko said during the visit the Finnish delegation acquainted itself with the renovation in Vietnam, thus creating favourable conditions for further cooperation, especially in the economic field, between Finland and Vietnam.

During its stay here, the Finnish guests had working sessions with the Ministry for Foreign Affairs, the External Relations Commission of the National Assembly and the Vietnam Women's Union.

They leave here today concluding a three-day visit to Vietnam.

Central Committee Greets Bulgarian Party

BK3107155591 Hanoi VNA in English 1401 GMT 31 Jul 91

[Text] Hanoi VNA July 31—The Central Committee of the Communist Party of Vietnam has sent greetings to the Supreme Council of the Bulgarian Socialist Party on the centenary of its predecessor, the Social Democratic Party.

The message [word indistinct] hopes that you will overcome all current difficulties and [word indistinct] build a prosperous Bulgaria [word indistinct] traditional friendship and cooperation between the two parties and peoples of Vietnam and Bulgaria will continue to be consolidated and developed.

National Assembly Proceeding for 1 Aug Reported

BK0108063791 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 1 Aug 91

[Text] This morning, 1 August, the ninth session of the eighth National Assembly met under the direction of National Assembly Vice Chairman Phung Van Tuu at the Ba Dinh Conference Hall in Hanoi.

National Assembly deputies discussed article four on the Communist Party of Vietnam [CPV] leadership and Article 18 on ownership and use of land in the draft revision of the constitution.

More than 18 viewpoints were made on Article Four by deputies from Ha Nam Ninh, Nghe Tinh, and Thai Binh Provinces; Ho Chi Minh City, Hanoi and Haiphong municipalities; and Hoang Lien Son, Thanh Hoa, Khanh Hoa, Vinh Phu, Minh Hai, Quang Tri, Hai Hung, Thuan Hai, and Dong Nai Provinces.

The deputies unanimously asserted that the CPV leadership role should be stated in the Constitution. However, there were three different viewpoints during discussions of Chapter Four, especially the part dealing with the party leadership over the state and society.

The National Assembly also heard viewpoints on Article 18 concerning the ownership and use of land made by deputies from Quang Tri, Ho Chi Minh City, Hai Hung, Nghe Tinh, Dac Lac, Minh Hai, Ha Tuyen, Thai Binh, An Giang, Hau Giang, and Phu Yen Provinces.

The National Assembly will continue its discussion at the conference hall in Hanoi this afternoon.

Vo Chi Cong at Opening of National Assembly

BK0108052991 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 29 Jul 91

[First part of "text" of report by Vo Chi Cong, chairman of Council of State and head of the Commission for Constitutional Amendment, at the opening of the ninth session of the eighth National Assembly in Hanoi on 27 July—recorded]

[Text] Dear Comrade Do Muoi, general secretary of the party Central Committee and chairman of the Council of Ministers,

Dear Comrade Pham Van Dong, adviser to the party Central Committee,

Dear Comrade Le Quang Dao, chairman of the National Assembly,

Dear comrade National Assembly deputies,

On behalf of the Commission for Constitutional Amendment, I would like to present to the National Assembly the second draft of the amendments to the 1980 Constitution.

The Constitution is the basic law of our state. It institutionalizes the platform and major lines and policies of the Communist Party of Vietnam [CPV]. The contents of the 1980 Constitution were based on the spirit of the fourth party congress's resolution.

Implementing the 1980 Constitution and other legal documents promulgated in its framework, our country has made important progress in socialist construction and national defense. Nonetheless, in view of the substantial changes in the socioeconomic situation and the task of socialist construction and national defense, many points of the 1980 Constitution no longer suit the new situation.

The renovative line put forward by the sixth party congress in 1986 requires that the 1980 Constitution be amended in order to create a necessary legal groundwork for accelerating the comprehensive renovation undertaking and to lead our country steadily along the socialist path.

At its third session on 28 June 1983, the National Assembly issued a resolution on amending the preamble of the Constitution. Next, at its fourth session, the National Assembly issued a resolution on setting up a commission in charge of amending and supplementing some provisions of the Constitution. At its fifth session on 30 June 1989, based on the draft submitted by that commission, the National Assembly adopted a resolution to amend and supplement seven articles of the Constitution, namely Articles 57, 115, 116, 118, 122, 123, and 125.

The above-mentioned amendments and addenda have met the immediate requirements of our state's foreign policy in time and have created a legal groundwork for amending and supplementing the law on the elections of people's councils, dated 26 December 1983, and the law on the organization of people's councils and people's committees, dated 30 June 1983, in accordance with the spirit of the renovation undertaking.

Also at its fifth session, the National Assembly issued a resolution on setting up the Commission for Constitutional Amendment to make basic and comprehensive amendments to the 1980 Constitution in order to meet the requirements of the new stage of the revolution.

The commission is responsible for formulating and submitting the draft amendments to the Constitution for the consideration and advice of the National Assembly at this session. Next, the draft amendments will be perfected and published for public comments before they

are submitted for official approval by the National Assembly at its last session, scheduled for December 1991.

I would like to brief the National Assembly on the various tasks that the Commission for Constitutional Amendment has completed based on the application of fundamental concepts to the study of and amendments to the Constitution, as well as to the various key issues related to the second draft of the amendments to the 1980 Constitution.

I. Achievements by the Commission for Constitutional Amendment

Immediately after its formation, the commission studied ways to formulate the draft of the amendments to the Constitution. In making the draft amendments to the 1980 Constitution, the commission has based its work on the following factors:

First, the sixth party congress's resolution and the subsequent resolutions of the party Central Committee and the Political Bureau, especially the platform for national construction in the period of transition to socialism and the socioeconomic development strategy formulated by the seventh party congress;

Second, the correspondence between the characteristics of our national situation in the political, economic, cultural, and social domains and the characteristics of the international situation;

Third, the fundamental Marxist-Leninist principles governing socialist construction, especially the initial stage of the transitional period, and the creative and correct application of Ho Chi Minh's thinking to the concrete conditions in our country;

Fourth, the views contributed by our cadres and people.

The commission has organized a number of fact-finding trips and symposiums. It has also learned from the experiences of foreign countries.

Our editorial staff and specialists have held regular working sessions to formulate the draft amendments for submission to the commission for discussion and advice. This has been done many times. So far, the commission has held 11 plenary sessions to speed up the pace of the work.

Last May, the commission published the first draft of the amendments to solicit the opinions of high and intermediate level cadres throughout the country, the Nationalities Committee and other standing committees of the National Assembly, National Assembly deputies, and veteran revolutionary cadres.

The commission has recently revised the first draft of amendments in the spirit of the Seventh CPV Congress resolutions and on the basis of the views contributed by the masses. Later, they completed the second draft,

which is now ready for submission to the ninth session of the eighth National Assembly.

II. The application of fundamental concepts to the study and amendments to the Constitution.

During the study and the drafting of the constitutional amendments, the commission firmly grasped the following concepts:

First, that in Vietnam, the CPV is the sole leading force of the state and society. Their role and responsibility are dictated by history, recognized by the people, and affirmed by the Constitution. The party and people must work together to build a firm and strong state. The party's major lines and policies must be institutionalized into laws. The state will manage all affairs in accordance with the law. The party leadership concepts are to mobilize, organize, educate, and forge outstanding party cadres and members in order to nominate them for election to various state agencies. The party must support and help to enhance the state's role and management efficiency. Only by establishing a strong, effective state mechanism will we be able to enhance the party's leadership role. The party's role and its prestige, no matter how immense, cannot replace the role of state management. The party cannot execute state affairs and will not turn itself into an organ of state authority.

Second, in our country, all powers belong to the people who exercise state power through the National Assembly they have elected. State power must be centralized. It will not be divided into legislature, executive and judiciary as required by the three-power division theory. Rather, it is exercised through a clear assignment of powers and responsibilities among the National Assembly, the government, the Supreme Court and the Supreme Organ of Control. Each of them will have their own power and rights that will be closely coordinated, thus giving the state an integrated strength. It is necessary to perfect and strengthen these agencies to help them fulfill all the assigned tasks.

Third, the state is the people, by and for the people. It exercises socialist democracy. On the one hand, it ensures the people's right to mastery and promotes the broadening of democracy. On the other, it strives to enhance socialist law and firmly enforces rules in the interests of the nation and people.

Fourth, the Constitution must comprehensively reflect the renovative lines of the party and encourage the acceleration of the politico-economic renovation. Its contents must manifest the mechanisms whereby the people are masters, the state the manager, and the party the leader. It is also necessary to correctly define the role of state management. The state mechanism must be renovated and the administrative system reformed to suit our country and the economic management mechanism, while applying the experiences of foreign countries.

On the basis of the above concepts, my commission would like to present to the National Assembly the following key issues related to the second draft of the amendments to the 1980 Constitution.

III. Various key issues of the second draft amendments to the 1980 Constitution.

The 1980 Constitution consists of 147 Articles in 12 Chapters. The second draft maintains the 12 Chapters but with more revisions in addition to those already made in the first draft. In total, 104 of the 147 Articles have been revised.

The commission has also condensed the preamble of the Constitution, based on the people's views. It has been shortened and made more precise, stressing important historical events of our revolution since the emergence of the party founded and forged by President Ho Chi Minh, from the August Revolution to the victories over the French colonialist and U.S. imperialists and the liberation of South Vietnam, the unification of the country, the transition period to socialism, and the current comprehensive renovation.

Chapters 1-5 has been revised with the aim of institutionalizing the main points of the political platform and the strategy of socioeconomic development program set by the Seventh CPV Congress.

The draft revision asserted the characteristics of our state—that it is of the people, for and by the people—that it will promote and ensure the people's right to mastery, and oppose and strictly deal with all violations in the interests of the nation and people. It also asserts that people are masters of the country, which includes workers, peasants, and intellectuals. The state must ensure and develop the people's right to mastery in all aspects. In the SRV, all powers belong to the people who exercise state power through the National Assembly and the People's Councils which are elected by the people and subjected to their control.

Regarding the Communist Party of Vietnam, the draft of the amendments specifies that as the vanguard unit of the Vietnamese working class, the CPV must faithfully represent the interests of the working class, the laboring people, and the nation in line with Marxism-Leninism and Ho Chi Minh's concepts, and serve as the leading force of our state and society. However, party members and organizations must operate within the framework of the Constitution and the law.

Regarding the economic system, the draft affirms that our state must develop the multicomponent commodity economy according to a market-oriented mechanism, under state management, and along the line of socialism. It must establish a multicomponent economic structure that will exist for a long time based on the systems of national ownership, collective ownership, and private ownership, with the systems of national ownership and collective ownership increasingly becoming the foundation.

The objective of the state economic policy is to satisfy the needs arising from the people's material and cultural life on the basis of unleashing all production capabilities; bringing into full play, under numerous forms all the potentials of the state-operated, collective, individual, private bourgeois, and state bourgeois economic components; and expanding economic, scientific, and technical cooperation and exchange with the world market.

The draft specifies that the state must grant all organizations and individuals the right to use land on a long-term basis. All organizations and individuals are entitled to inherit or transfer the right to use land that has been allocated as stipulated by the law. All organizations and individuals have the right to establish businesses, including investment and business transactions in foreign countries, as stipulated by law.

In administering businesses, all economic components enjoy equality before the law. The state of the Socialist Republic of Vietnam must ensure the legal right of ownership of capital and property and other rights and interests of foreign organizations that have invested in Vietnam, as well as that enterprises with foreign investment capital are not subject to nationalization.

Regarding culture, the draft specifies that our state must develop an advanced, harmonious culture that is characterized by a national disposition to serve the people; shape a healthy spiritual lifestyle; inherit and develop the priceless values of Vietnamese civilization, the ethics and bearing of Ho Chi Minh, and the fine traditions of all nationalities in the country; acquire the quintessence of mankind's culture; and oppose cultural concepts that impede progress, assail literature, and undermine national independence and the advancement to socialism.

Our literature and art must contribute to enhancing the Vietnamese people's dignity and soul. The state must lend assistance to talented writers and artists so as to enable them to create literary and art works of high ideological, literary, and aesthetic value. The state must also create favorable conditions for the laboring people to enjoy good literary and art works while expanding the exchange of cultural and artistic activities with other countries in the world.

Vietnam's educational system must ensure that human dignity is respected, the character of every individual is developed, theory goes along with practice, education is combined with productive labor, and schools are closely linked with families and society.

The objectives of education are to improve the people's cultural standard, develop human resources, and encourage all individuals to develop their talents to meet the requirements of national construction and national defense.

It is our state policy to develop sciences and technology through the formulation and implementation of an appropriate national technology development policy and

the uniform promotion of different scientific projects aimed at supporting the formulation of lines, standpoints, policies, and legal documents needed to renovate production relations, broaden the productive forces, improve management skills, guarantee product quality, speed up the economic growth rate, and build and develop modern sciences and technology.

It is our state objective to train a contingent of highly qualified scientists and specialists and skilled workers, to expand international relations and cooperation in sciences and technology, and to create conditions for scientists to contribute to scientific development and national defense.

The state exerts uniform management over the public healthcare service, mobilizes and organizes all forces in society in building and developing preventive medicine, develops and combines traditional and modern medicines, and creates conditions for everyone to have access to the public healthcare service. State organs, mass societies, families, and citizens are all dutybound to care for mothers and children and to implement the family planning program.

Regarding the defense of the socialist fatherland, the platform points out that members of the SRV Armed Forces remain unquestionably loyal to the fatherland and people and stand ready to fight to preserve the revolutionary gains; defend the fatherland's independence, sovereignty, territorial integrity, and stability; maintain public security and order; guarantee conditions for our people's peaceful national construction; and join hands with the entire people in building and developing the country.

Ho Chi Minh City Exports Increase 1.3 Percent

BK3107133791 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 26 Jul 91

[Text] In the first six months of 1991, Ho Chi Minh City exported more than U.S.\$185 million dollars, an increased 1.3 percent compared to the same period last year. The export of main commodities such as rice and timber has decreased. Exports of coffee and industrial products however, more than double compared to the same period last year. Textile exports were also fairly high.

Generally speaking, the export value has not increased much due to lack of capital investment and falling prices.

Compared to last year, imports increased by 12 percent. The main imports are oil and gas, fertilizer, cotton and textiles, plastics, and chemicals.

Thai Binh Resettles 400,000 in Economic Zones

*BK3107142191 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 27 Jul 91*

[Text] The party and state began resettling people to build new economic zones in 1961, with Thai Binh Province being the first to support this labour and population program.

In the last 30 years, the province has resettled nearly 400,000 people including 200,000 of working ages in 12 localities.

Thai Binh settlers, who number nearly one quarter of the province population, have built 19 independent cooperatives in the north and 63 cooperatives and 150 production groups in the south.

Apart from resettlement to other provinces, Thai Binh has also relocated people within the province. Some 2,800 families with 13,900 people have been relocated to 5,800 hectares near coastal areas.

Despite good rice harvests in the past, and no present food shortage in the province, the labor and population program is still considered as the fourth out of its five most important local socioeconomic programs.

Do Muoi Lays Floral Tribute at Cemetery

*BK3107135291 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 27 Jul 91*

[Text] On the War Invalid and Fallen Combatant Day 27 July, this morning, a delegation of the party Central Committee, National Assembly, Council of State, Council of Ministers, Vietnam Fatherland Front, and central and Hanoi organizations laid a floral tribute to fallen combatants at Mai Dich Cemetery. The delegation was led by Comrade Do Muoi to pay respect to the communist soldiers who sacrificed for national independence, freedom, and socialism.

On the same day, the delegation also visited the injured, sick soldiers who were receiving treatment in Military Hospital 108.

Letter on War Invalids Day

*BK3107112591 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 26 Jul 91*

[Letter from Vo Chi Cong, chairman of the Council of State, to mark War Invalids and Fallen Combatants Day, 27 July—announcer read.]

[Text] On the 44th War Invalids and Fallen Combatants Day [27 July 1947 - 27 July 1991] and on behalf of the party and state, I send my warm regards and wishes of good health to the war invalids, families of fallen combatants, and families credited for supporting the Vietnamese revolution.

In the past, when our country was embroiled in many difficulties, all of you upheld our fine revolutionary tradition and the spirit of self-reliance, as taught by beloved Uncle Ho, as good citizens and families.

Despite many difficulties, you set excellent examples of patriotism and love for socialism by contributing in production, study, and work, for the benefit of the nation in all areas.

On this occasion, I warmly praise you for your striving and self-reliance in production and life. The party, state, and people have always been proud and are taking care of soldiers and families who have sacrificed for the glorious achievements of our national revolution.

I hail the localities, sectors, mass organizations, and social organizations for their active care for war invalids and the families of fallen combatants. That was clearly shown in the movements of "Building the House of Affection," "Savings Account Books," "Affection Fund," and so forth.

I hope all levels, sectors, and localities will always remember the spirit of "Returning Favors and Grace" so as to heighten their responsibility for implementing satisfactorily party and state policies for war invalids and families of fallen combatants.

I wish the invalids, families of fallen combatants and those who have supported our revolution will continue to score more achievements. With the entire party, Army, and people, they will make the seventh national party congress resolutions a reality in our beloved homeland, contributing to a comprehensive renovation to protect and build a Vietnamese socialist fatherland.

Australia

U.S. Accused of 'Very Unfriendly Act'

BK0108102291 Hong Kong AFP in English 1014 GMT 31 Jul 91

[Text] Sydney, Aug 1 (AFP)—The row between Canberra and Washington over heavily subsidised wheat sales to China intensified Thursday, with Prime Minister Bob Hawke accusing the United States of "a very unfriendly act."

He said he recognized that the U.S. action was in response to massive subsidies on European wheat sales, but he added that he could not accept the thinking behind that argument. "It doesn't help you if you get hit in the head by a bullet to be told by the person who fired the bullet, 'I'm sorry it was not intended for you, it was intended for someone else'," he said. "The bloody bullet still hurts as much."

Hawke's comments, made at a press conference in the New South Wales city of Newcastle, reflected anger among Australian farmers about U.S. wheat sales to what is considered a traditional and important Australian customer.

The dispute was touched off when it was revealed that the European Community (EC) was selling 1.5 million tonnes of wheat to China at a subsidised price of 75 U.S. dollars a tonne—well below the prevailing world price. The United States responded by saying it would cut its own export wheat prices in retaliation under its Export Enhancement Program (EEP).

On television Wednesday Foreign Minister Gareth Evans accused the United States of behaving like a hostile country. "This is the act not of an ally or even of a friend," he said. "It's the act of, in fact, a hostile country."

Mr. Hawke supported that view, saying: "It looks like a very unfriendly act when a country with which you have an alliance relationship does things which cost you dearly and there's no doubt it does."

The prime minister acknowledged that there was little Australia could do. "I mean, we're not going to declare war on them. They're a bit big," he said. "But we are going to tell them that they are acting in a way that is not conducive to the improvement of relations," he said.

Hawke also expressed hope that the Uruguay Round of trade negotiations, which are to reach their climax later this year, would result in EC member nations removing their production and export subsidies.

Earlier Thursday, Trade Minister Neal Blewett announced that new talks aimed at protecting Australian farmers from subsidised U.S. wheat sales would begin in Washington later this month. In a statement, Blewett

said bilateral consultations had been proposed in March, and that it had taken four months of negotiations to sort out the details.

The "establishment of a consultative process to discuss agricultural trade issues," beginning the week of August 12, would aim to minimise the harm caused by the U.S. Export Enhancement Program to farmers here, he said. This would be consistent with U.S. President George Bush's promise to avoid disrupting Australian markets, Blewett added.

He cited the EC as the main offender "corrupting international agricultural trade," saying the United States was committed to EEP for only as long as the European Community continued to subsidise its exports. But nations such as Australia could not bear the costs of a trans-Atlantic subsidy war driving world wheat prices to an all-time low, he said.

Australian Wheat Board Queensland Manager Ted Laskie said the U.S. decision was part of a subsidy war which was grinding Australian wheat farmers into the ground. He said in many cases the cost of producing wheat outweighed the diminished returns farmers were getting because U.S. subsidised exports were depressing the world price for wheat. "The last 12 months have been disastrous for growers, starting with the Middle East crisis which knocked out our Iraq market and with the subsidised sales to countries like Kuwait and China not abating," Mr. Laskie said.

More on Wheat Problem

BK0108040291 Melbourne Radio Australia in English 0300 GMT 1 Aug 91

[Text] Australia and the United States have agreed to set up a consultative process on agricultural trade issues. The first meeting will be held in Washington this month. The meeting follows the decision yesterday by America to sell subsidized wheat to China, a traditional Australian wheat market.

The sale has provoked criticism from two federal government ministers who say Washington's tactics to counter the European trade war are severely damaging Australian trade. The foreign minister, Gareth Evans, says the battle between Europe and the United States will continue to seriously affect Australian wheat producers in the near future.

[Begin Evans recording] Obviously the United States is reacting against European subsidies and overwhelmingly its actions are directed against Europe. The problem is, as always, that those actions impact very badly on Australia. We have made that point over and over again, and the only way we can continue to make it is very noisily and, I guess, very aggressively. I have done that, the prime minister has done that, the trade minister has done that; we have just got to keep our fingers crossed that the situation will improve. [end recording]

Meanwhile, the trade minister, Neal Blewett, has moved to soften criticism he made yesterday of America's subsidized wheat sales. Jan Smith reports that Dr. Blewett has shifted blame to the European Community.

[Begin Smith recording] In a statement today, Dr. Blewett tried to soften the attack, claiming the European Community was the principal offender. The statement said the United States was committed to using subsidies as long as the European Community continued to subsidize exports. Australian and U.S. officials have agreed to meet in Washington this month to discuss the sensitive issue of agricultural trade. It will be the first meeting of a long consultative process between the two countries. [end recording]

Prime Minister Hawke Says 'He Will Step Aside'

*BK0108055491 Melbourne Radio Australia in English
0500 GMT 1 Aug 91*

[Text] The Australian prime minister, Bob Hawke, says he will step aside as leader of the ruling Labor Party if it fails to win the next elections. But he claimed the improving economic climate was making a defeat for the party more and more unlikely.

In June, Mr. Hawke beat off the leadership challenge by the treasurer, Paul Keating, who later resigned his post.

A federal election is due to be held by March 1993.

Micronesia

PRC's Liu Criticizes South Pacific's Policy

*BK0108110091 Hong Kong AFP in English 1052 GMT
1 Aug 91*

[Text] Palikir, Aug 1 (AFP)—Chinese Vice Premier Liu Huaqiu firmly reaffirmed Thursday Beijing's opposition to nations establishing ties with Taiwan, during a speech at the annual post South Pacific Forum meeting here.

Earlier this week the forum effectively adopted a "Two China" policy by admitting only the mainland into its formal dialogue with its main trade and aid partners, but agreeing that the four members who recognized Taiwan may brief Taipei on the proceedings.

Liu said Beijing was committed to peaceful reunification of China under its "one country, two systems" policy, and that changes on both sides of the Taiwan Strait should speed this process.

"China's reunification is an irresistible historical trend, in spite of the fact that the Taiwan authorities are trying to lay all kinds of obstacles and vigorously pursuing so-called 'elastic diplomacy' and 'substantive diplomacy' in an attempt to create 'two Chinas'," he said.

Liu said increasing exchanges between Taiwan and China were internal affairs and "totally different in

nature from the Taiwan authorities' attempt to seek ... relations with countries that have diplomatic relations with (China)."

He said China had ambassadors in nine forum countries and that its ties with the South Pacific region had grown stronger and closer.

Asterio Takesy, external affairs secretary of the Federated States of Micronesia, host of the conference, said forum members took the statement "as a plea," not as a rebuke.

Meanwhile, British Minister of State Lord Caithness said that living standards had declined in the South Pacific over the past 10 years, despite growing aid to the area.

"This is worrying and suggests that all is not well with the assistance process in the region," he said.

The minister said that while Britain did not intend to interfere in the internal affairs of aid recipients, assistance must go only to countries with policies to ensure it would be used effectively.

"Building new classrooms will not improve the quality of education unless well-trained staff, essential books and material, and an adequate curriculum are in place," Caithness said.

"In the past we have perhaps assumed too readily that providing experts, or sending people away for training, or building better schools, will give rise to sustainable development," he said, adding, "we now know that they do not."

"Large amounts of expenditure have sometimes led, unhappily, to small amounts of development," the minister said.

In his statement, Jacques Le Blanc, France's South Pacific secretary, ignored forum criticism of continued French nuclear testing in the region.

He said France wanted to be a "stability factor" in the area by participating in regional bodies through its territories and that it intended to assist the Pacific cause in the European Community.

The French representative said this was part of building a "new partnership," and that economic and technical cooperation with the Pacific was "among the priorities of (France's) foreign policy."

Le Blanc also avoided any reference to a call by the forum that it should be allowed to send an annual delegation to New Caledonia to inspect the French territory's progress towards independence.

He noted that the forum had sent a team earlier this month and said its report had shown how "deeply committed France is in the implementation of the Matignon Agreements", which set out a framework for independence.

In reference to the environmental issues which dominated the forum's communique, Muneko Suzuki, the Japanese vice minister for Foreign Affairs, said Tokyo planned to deal with these problems because it had faced serious pollution in the past.

Suzuki noted also that fisheries were always on the forum's agenda because member nations wanted to

develop their own industry and conserve maritime resources, adding that in the 1990 fiscal year Japan had given South Pacific countries almost 23 billion yen (169 million dollars) for fishing projects.

He said Japan was determined to maintain a conservation interest in the South Pacific, while assisting the region's development.